SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS

OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1. REQUISITION NUMBER: RCS-HU-2016-00303

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2. CONTRACT NO.

3. AWARD/ EFFECTIVE DATE

4. ORDER NUMBER

5. SOLICITATION NUMBER: DU208WR-17-R-0001

6. SOLICITATION ISSUE DATE

7. FOR SOLICITATION INFORMATION CALL:

a. NAME: CHRISTOPHER STUART

b. TELEPHONE NUMBER *(No collect calls)*

8. OFFER DUE DATE/LOCAL TIME: 12/05/2016 1400 MD

9. ISSUED BY CODE HUD-NFWR

US DEPARTMENT OF HUD
OFFICE OF THE CHIEF PROCUREMENT OFFICER
1670 BROADWAY 23RD FLOOR
DENVER CO 80202-4801

10. THIS ACQUISITION IS ☐ UNRESTRICTED OR ☒ SET ASIDE: 100.00 % FOR:

☐ SMALL BUSINESS
☐ HUBZONE SMALL BUSINESS
☐ SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS
☐ WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM
☐ EDWOSB
☒ 8(A)

NAICS: 541611

SIZE STANDARD: $15.0

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED
☐ SEE SCHEDULE

12. DISCOUNT TERMS

☐ 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

13b. RATING

14. METHOD OF SOLICITATION
☐ RFQ ☐ IFB ☒ RFP

15. DELIVER TO CODE FHA-6IHS

FHA-6IHS
301 NW 6TH STREET
SUITE 200
OKLAHOMA CITY OK 73102

16. ADMINISTERED BY CODE HUD-NFWR

US DEPARTMENT OF HUD
OFFICE OF THE CHIEF PROCUREMENT OFFICER
1670 BROADWAY 23RD FLOOR
DENVER CO 80202-4801

17a. CONTRACTOR/ OFFEROR CODE

FACILITY CODE

TELEPHONE NO.

☐ 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER

18a. PAYMENT WILL BE MADE BY CODE

18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED ☐ SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	Tax ID Number: Not Available DUNS Number: Not Available SMART ¿ Business Service Provider Period of Performance: 01/31/2017 to 01/30/2018				
0001	Transition In-Phase I				
	Continued ...				
	(Use Reverse and/or Attach Additional Sheets as Necessary)				

25. ACCOUNTING AND APPROPRIATION DATA

26. TOTAL AWARD AMOUNT *(For Govt. Use Only)*

☒ 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ☐ ARE ☒ ARE NOT ATTACHED.

☐ 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ☐ ARE ☐ ARE NOT ATTACHED.

☒ 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.

☐ 29. AWARD OF CONTRACT: _____ OFFER DATED _____. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

30a. SIGNATURE OF OFFEROR/CONTRACTOR

31a. UNITED STATES OF AMERICA *(SIGNATURE OF CONTRACTING OFFICER)*

kevin D.Crook

30b. NAME AND TITLE OF SIGNER *(Type or print)*

30c. DATE SIGNED

31b. NAME OF CONTRACTING OFFICER *(Type or print)*: KEVIN D. CROOK

31c. DATE SIGNED: 11/03/2016

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0002	Transition In-Phase 2				
0003	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2)				
0004	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3)				
0005	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4)				
0006	Accounting - Financial Functions (IAW 5.5)				
0007	Customer Service (IAW 5.6)				
0008	Standard and Non-Standard Reports (IAW 5.8)				
	Continued ...				

32a. QUANTITY IN COLUMN 21 HAS BEEN

☐ RECEIVED ☐ INSPECTED ☐ ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
	32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT	37. CHECK NUMBER
☐ PARTIAL ☐ FINAL			☐ COMPLETE ☐ PARTIAL ☐ FINAL	

38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY *(Print)*	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT *(Location)*	
		42c. DATE REC'D *(YY/MM/DD)*	42d. TOTAL CONTAINERS

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0009	Production Environment (IAW 5.7)				
0010	Development/Testing Environment (IAW 5.9)				
0011	Training (IAW 5.10)				
0012	Systems Documentations (IAW 5.11)				
0013	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.				
0014	TRAVEL Not to Exceed				
0015	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0016	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0017	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4) Continued ...				

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0018	Accounting - Financial Functions (IAW 5.5) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0019	Customer Service (IAW 5.6) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0020	Standard and Non-Standard Reports (IAW 5.8) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0021	Production Environment (IAW 5.7) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0022	Development/Testing Environment (IAW 5.9) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0023	Training (IAW 5.10) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0024	Systems Documentations (IAW 5.11) (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
	Continued ...				

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0025	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0026	TRAVEL Not to Exceed (Option Line Item) Period of Performance: 01/31/2018 to 01/30/2019				
0027	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0028	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0029	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0030	Accounting - Financial Functions (IAW 5.5) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0031	Customer Service (IAW 5.6) (Option Line Item) Continued ...				

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: 01/31/2019 to 01/30/2020				
0032	Standard and Non-Standard Reports (IAW 5.8) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0033	Production Environment (IAW 5.7) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0034	Development/Testing Environment (IAW 5.9) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0035	Training (IAW 5.10) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0036	Systems Documentations (IAW 5.11) (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0037	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. (Option Line Item) Period of Performance: 01/31/2019 to 01/30/2020				
0038	TRAVEL Not to Exceed (Option Line Item) Continued ...				

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: 01/31/2019 to 01/30/2020				
0039	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0040	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0041	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0042	Accounting - Financial Functions (IAW 5.5) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0043	Customer Service (IAW 5.6) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0044	Standard and Non-Standard Reports (IAW 5.8) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0045	Production Environment (IAW 5.7) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				

Continued ...

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0046	Development/Testing Environment (IAW 5.9) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0047	Training (IAW 5.10) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0048	Systems Documentations (IAW 5.11) (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0049	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0050	TRAVEL Not to Exceed (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				
0051	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0052	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3) (Option Line Item) Continued ...				

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: 01/31/2021 to 01/30/2022				
0053	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0054	Accounting - Financial Functions (IAW 5.5) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0055	Customer Service (IAW 5.6) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0056	Standard and Non-Standard Reports (IAW 5.8) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0057	Production Environment (IAW 5.7) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0058	Development/Testing Environment (IAW 5.9) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0059	Training (IAW 5.10) (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0060	Systems Documentations (IAW 5.11) Continued ...				

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	(Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0061	Transition Out NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period. (Option Line Item) Period of Performance: 01/31/2021 to 01/30/2022				
0062	TRAVEL Not to Exceed (Option Line Item) Period of Performance: 01/31/2020 to 01/30/2021				

Schedule B Description/Specifications

BASE CONTRACT PERIOD					
CLIN	**DESCRIPTION**	**QTY**	**UNIT**	**UNIT PRICE**	**TOTAL AMOUNT**
0001	Transition In-Phase I	1	Job		
0002	Transition In-Phase II	1	Job		
0003	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2)	9	Month		
0004	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3)	9	Month		
0005	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4)	9	Month		
0006	Accounting - Financial Functions (IAW 5.5)	9	Month		
0007	Customer Service (IAW 5.6)	9	Month		
0008	Production Environment (IAW 5.7)	9	Month		
0009	Standard and Non-Standard Reports (IAW 5.8)	50	Per Report		
0010	Development/Testing Environment (IAW 5.9)	1	JOB		
0011	Training (IAW 5.10)	4	Class		
0012	Systems Documentations (IAW 5.11)	7	Documents		
0013	Transition Out *NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.*	1	JOB		**RESERVED**
0014	TRAVEL Not to Exceed				Provided by Government
				TOTAL PRICE FOR BASE PERIOD	$

OPTION PERIOD 1					
CLIN	**DESCRIPTION**	**QTY**	**UNIT**	**UNIT PRICE**	**TOTAL AMOUNT**
0015	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2)	12	Month		
0016	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3)	12	Month		
0017	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4)	12	Month		
0018	Accounting - Financial Functions (IAW 5.5)	12	Month		
0019	Customer Service (IAW 5.6)	12	Month		
0020	Production Environment IAW 5.7)	12	Month		
0021	Standard and Non-Standard Reports (IAW 5.8)	50	Per Report		
0022	Development/Testing Environment (IAW 5.9)	1	JOB		
0023	Training (IAW 5.10)	4	Class		
0024	Systems Documentations (IAW 5.11)	7	Documents		
0025	Transition Out *NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.*	1	JOB		**RESERVED**
0026	TRAVEL Not to Exceed				Provided by Government
				TOTAL PRICE FOR OPTION PERIOD 1	$

OPTION PERIOD 2					
CLIN	**DESCRIPTION**	**QTY**	**UNIT**	**UNIT PRICE**	**TOTAL AMOUNT**
0027	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2)	12	Month		
0028	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3)	12	Month		
0029	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4)	12	Month		
0030	Accounting - Financial Functions (IAW 5.5)	12	Month		
0031	Customer Service (IAW 5.6)	12	Month		
0032	Production Environment (IAW 5.7)	12	Month		
0033	Standard and Non-Standard Reports (IAW 5.8)	50	Per Report		
0034	Development/Testing Environment (IAW 5.9)	1	JOB		
0035	Training (IAW 5.10)	4	Class		
0036	Systems Documentations (IAW 5.11)	7	Documents		
0037	Transition Out *NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.*	1	JOB	**RESERVED**	
0038	TRAVEL Not to Exceed				Provided by Government
TOTAL PRICE FOR OPTION PERIOD 2					$

OPTION PERIOD 3					
CLIN	**DESCRIPTION**	**QTY**	**UNIT**	**UNIT PRICE**	**TOTAL AMOUNT**
0039	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2)	12	Month		
0040	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3)	12	Month		
0041	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4)	12	Month		
0042	Accounting - Financial Functions (IAW 5.5)	12	Month		
0043	Customer Service (IAW 5.6)	12	Month		
0044	Production Environment (IAW 5.7)	12	Month		
0045	Standard and Non-Standard Reports (IAW 5.8)	50	Per Report		
0046	Development/Testing Environment (IAW 5.9)	1	JOB		
0047	Training (IAW 5.10)	4	Class		
0048	Systems Documentations (IAW 5.11)	7	Documents		
0049	Transition Out *NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.*	1	JOB		**RESERVED**
0050	TRAVEL Not to Exceed				Provided by Government
				TOTAL PRICE FOR OPTION PERIOD 3	$

OPTION PERIOD 4					
CLIN	**DESCRIPTION**	**QTY**	**UNIT**	**UNIT PRICE**	**TOTAL AMOUNT**
0051	Single Family Mortgage Asset Recovery Technology (SMART) (IAW 5.2)	12	Month		
0052	Extensions and Variances Automated Requests System (EVARS) (IAW 5.3)	12	Month		
0053	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) (IAW 5.4)	12	Month		
0054	Accounting - Financial Functions (IAW 5.5)	12	Month		
0055	Customer Service (IAW 5.6)	12	Month		
0056	Production Environment (IAW 5.7)	12	Month		
0057	Standard and Non-Standard Reports (IAW 5.8)	50	Per Report		
0058	Development/Testing Environment (IAW 5.9)	1	JOB		
0059	Training (IAW 5.10)	4	Class		
0060	Systems Documentations (IAW 5.11)	7	Documents		
0061	Transition Out *NOTE: The transition out CLIN will only be ordered in the event that HUD determines to not exercise the next option period. This will be a unilateral decision by HUD and may be ordered at any time during the contract period.*	1	JOB		**RESERVED**
0062	TRAVEL Not to Exceed				Provided by Government
				TOTAL PRICE FOR OPTION PERIOD 4	$

Performance Work Statement (PWS)

SMART – Business Service Provider

August 23, 2016

Version 1.1

Vision Statement 4

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Vision Statement

Obtain specialized Business Service Provider (BSP) to provide loan servicing services, online training and customer support as well as a state-of-the-art web-based and rule-based technology to support current and future initiatives and requirements with a customized business intelligence architecture.

1 General Information

1.1 Introduction

The National Servicing Center (NSC), a Headquarters' Division of the Office of Single Family Housing Asset Management (OSFAM), in the U.S. Department of Housing and Urban Development (HUD), is seeking to obtain a Business Service Provider (BSP) Support Services to provide a state-of-the-art web based technology that supports current and future HUD initiatives and requirements with a customized business intelligence architecture that is consistent with HUDs existing and planned standard enterprise architecture (EA) infrastructure. The Department intends to procure the services of a business service that is specialized in web hosting services, enhancements, maintenance, training and support as specified for web-based business service providers and/or automated business processes and develops web-based programs and applications to service and track servicing activities the Secretary Held portfolio excluding Reverse or HECM Mortgages and monitor contractor performance. The BSP is to provide automated business processes that have capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs as well as maintaining documented quality control measures. The BSP also provides interactive Servicing and Loss Mitigation online trainings, webinars and notifications to various users. The BSP is required to perform system maintenance, modification and enhancements to improve and update functionality, visual appeal and aesthetics of the website to assure that it is compatible with current Industry technology and provide technical support and training to all various users.

In addition, the BSP is required to support other accounting and financial functions, business processes, reporting mechanisms and provide capability to perform comprehensive analysis to ensure proper financial activities documented and identified. The Contractor shall ensure the BSP has complete documentation of all audit logs, collection activity, disbursements activity and other accounting related functions performed by the SMART BSP. The data files shall be forwarded to the identified transaction file repository on a daily basis to be processed and loaded to the General Ledger ("FHASL).

Under this Contract, Customer service is a high priority and critical to the successful performance and support of system functions. The NSC is seeking to obtain professional customer service support to provide customer service, technical assistance, and assistance to a wide variety of incoming inquiries from lenders in a consultative manner, to appropriately route calls to the proper areas, specifically in the area of Loss Mitigation and Servicing issues and support services to HUD's National Servicing Center.

1.2 Background

The Federal Housing Administration (FHA), an organizational unit within HUD, administers the single-family mortgage insurance program. FHA insures approved lenders against the risk of loss on loans they finance for the purchase, and in some instances rehabilitation, of single-family homes. When an FHA insured loan goes into default, the lender is required to evaluate each defaulted borrower for loss mitigation, and if loss mitigation is not feasible, to commence foreclosure timely. Following foreclosure, the lender may convey the foreclosed property to HUD and file a claim for insurance benefits.

The National Servicing Center (NSC) provides national servicing and loss mitigation support to FHA lenders and borrowers in the form of client-based loss mitigation assistance and servicing complaint resolution. NSC also monitors loan servicing activities of all FHA approved servicers and lenders, evaluates risk to the FHA fund through statistical analysis, reviews default and foreclosure information for program study, and manages FHA portfolio.

HUD utilizes a variety of systems to store information related to the current eight (8) million active insured single-family loans. A significant amount of historical data is contained within the Single Family Data Warehouse (SFDW), and is used by the NSC to identify trends, project successes and failures in the servicing activities, analyze the impact of risk on the FHA insurance fund, and monitor lender performance. HUD system also interfaces with other external systems through a secure middleware application for electronically integrating data elements. HUD currently owns and uses the following customized systems:

1. Single Family Mortgage Asset Recovery Technology (SMART) to service and track servicing activities on most loan portfolios named within this PWS. SMART is currently the business service provider that provides automated business processes that support comprehensive loan servicing on all other programs that are under the jurisdiction of the National Servicing Center. SMART has the capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.
2. Extensions and Variances Automated Requests System (EVARS)to provide FHA lenders an interactive automate process available through the Internet that gives approved FHA lenders real-time opportunity for automated request, review, approval and/or denial of extensions and variances related to various loan programs.
3. Electronic Courses on Loss Mitigation and Servicing System (ECLASS) to provide online training to FHA lenders, housing counseling agencies, HUD and other non-profit organizations with web-based Servicing and Loss Mitigation training and notifications to various related conferences.
4. Customer Support - Customer Service is a high priority and critical to the successful performance and support of system functions. The NSC is seeking to obtain professional customer service support to provide customer service, technical assistance, and assistance to a wide variety of incoming inquiries from lenders in a consultative manner to appropriately route calls to the proper areas, specifically in the area of Loss Mitigation and Servicing issues and support services to HUD's National Servicing Center.
5. Accounting, Financial Functions - The BSP is required to support other accounting and financial functions, business processes, reporting mechanisms and provide capability to perform

comprehensive analysis to ensure proper financial activities documented and identified. The Contractor shall ensure complete documentation of all collections, disbursements and other accounting related functions. All information relative to these and other accounting transactions shall be readily accessible and filed in the loan level servicing file. All accounting files shall be the property of HUD and available to HUD upon demand during the Contractor's expressed/regular business hours. The data files shall be forwarded to the identified transaction file repository on a daily basis to be processed and loaded to the General Ledger ("FHASL).

1.3 Constraints

The services identified in this PWS will adhere to the rules, regulations, laws, standards, and conventions identified by HUD as well as within the Federal Government. Many of the applicable documents, handbooks, forms, user guides, and other policy documents referenced in this PWS are publicly available on the Internet at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/cio/ea/newea/resources,

http://www.gsa.gov/portal/content/133515,

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1

www.section508.gov or www.access-board.gov

1.4 Description of Services

The objectives sought from this contract are:

- Demonstrated effective risk management that identifies opportunities for reducing the primary or secondary portfolio.
- Developed and maintained State-of-the-art web based technology that supports current and future HUD initiatives and requirements.
- Expanded Customer Service Support
- Provide proper and accurate proprietary and budgetary accounting transactions
- Deliver complete and accurate supportive reconciliations between servicing activities and accounting transactions
- Create and /or modify various trial balance reports based on client needs per Treasury requirements

Specifically, the Department's objectives are identified as the following tasks:

1. Transition-In – Conversion
2. Single Family Mortgage Asset Recovery Technology (SMART) to service and track servicing activities on most loan portfolios named within this PWS. SMART is currently the business service provider that provides automated business processes that support comprehensive loan servicing on all other programs that are under the jurisdiction of the National Servicing Center. SMART has the capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.

3. Extensions and Variances Automated Requests System (EVARS) to provide FHA lenders an interactive automate process available through the Internet that gives approved FHA lenders real-time opportunity for automated request, review, approval and/or denial of extensions and variances related to various loan programs.
4. Electronic Courses on Loss Mitigation and Servicing System (ECLASS) to provide online training to FHA lenders, housing counseling agencies, HUD and other non-profit organizations with web-based Servicing and Loss Mitigation training and notifications to various related conferences.
5. Production Environment to ensure the security, integrity and business rules of HUD data are maintained on a regular basis.
6. Customer Support - Customer service is a high priority and critical to the successful performance and support of system functions. The NSC is seeking to obtain professional customer service support to provide customer service, technical assistance, and assistance to a wide variety of incoming inquiries from lenders in a consultative manner to appropriately route calls to the proper areas, specifically in the area of Loss Mitigation and Servicing issues and support services to HUD's National Servicing Center.
7. Accounting, Financial Functions - The BSP is required to support other accounting and financial functions, business processes, reporting mechanisms and provide capability to perform comprehensive analysis to ensure proper financial activities are documented and identified. The Contractor shall ensure complete documentation of all transactions, disbursements and other accounting related functions. All information relative to these and other accounting transactions shall be readily accessible. All transaction history files shall be the property of HUD and available to HUD. The data files shall be forwarded to the identified transaction file repository on a daily basis to be processed and loaded to the General Ledger ("FHASL).
8. Development/Testing Environment
9. Reports: Standard, Non-Standard, Ad-Hoc and Rapid Development of Reports
10. Training
11. System Documentations: Technical Manuals, Source Codes, Functional Requirements, Users Manuals and other System Related Documents
12. Transition Out at End of the Contract Period

1.5 Non-Personal Services

The Government will neither supervise Contractor employees nor control the method by which the Contractor performs the required tasks. Under no circumstances shall the Government assign tasks to, or prepare work schedules for, individual Contractor employees. It shall be the responsibility of the Contractor to manage its employees and to guard against any actions that are of the nature of personal services, or give the perception of personal services.

If the Contractor believes that any actions constitute, or are perceived to constitute personal services, it shall be the Contractor's responsibility to notify the Contracting Officer (CO) immediately. These services shall not be used to perform work of a policy, decision making, or management nature, i.e. inherently Government functions. All decisions relative to programs supported by the Contactor shall be the sole responsibility of the Government.

1.6 Period of Performance

The period of performance is a base period of 12 months with four (4) 12-month option periods.

1.7 Place of Performance

The services to be performed under this contract shall be performed at the Contractor facility.

1.8 Hours of Operation

The Contractor is responsible for providing services between the hours of 7:00 am to 7:00 pm, local time in the geographic area, Monday thru Friday except for Federal holidays or when the Government facility is closed due to local or national emergencies, administrative closing, or similar Government directed facility closings. Weekly hours shall not exceed a forty (40) hour work week and a typical work day will be 8 hours each day Monday through Friday. The Government reserves the right to change hours of operation or restrict contractor access. Work outside of these daily hours is prohibited without Contracting Officer approval. Government agencies will not be available during scheduled holidays, inclement weather, weekends, and after duty hours.

The Contractor shall at all times maintain an adequate workforce for the uninterrupted performance of all tasks defined within the contract when the Government facility is not closed for the above reasons. When hiring personnel, the Contractor shall keep in mind that the stability and continuity of the workforce is essential.

1.9 Special Qualifications

HUD's system clearance procedures require that the Systems Security Administrator (SSA) and Key Personnel shall use forms provided by HUD to initiate requests for user access to SMART, other HUD systems and to request access modifications and deletions. The SSA shall certify, not later than ten (10) calendar days from the effective date of the contract and ongoing seven (7) days from new hire, that all staff has received instruction in system security issues, are familiar with the contents of the current version of HUD Handbook 2400.24 Rev. 2, Information Security Program, and have completed the HUD's Computer Based Training program or Rules of Behaviors.

1.10 Initial Contract Activity

1.10.1 Post Award/Kickoff Conference

The Contractor shall attend post award conference convened by the contracting activity or contract administration office in accordance with FAR Subpart 42.5. The Government intends to convene a Post Award Conference with the Contractor within ten business days after contract award. The Contracting Officer will notify the Contractor of the specific date, location, and agenda within five business days after contract award. Post Award Contract location shall take place in Oklahoma City.

1.10.2 Office Location

The Contractor shall establish and maintain a business office appropriately staffed and equipped with computers, copying machines, software, hardware, servers, etc. within thirty (30) calendar days from the

effective date of the contract. The Contractor shall notify the CO and GTR upon completion. HUDs National Servicing Center is located in Oklahoma City, Oklahoma and is in the Central time zone.

1.11 Contractor Travel

Prior to travel, the Contractor shall coordinate with and receive Government authorization from the GTR for all travel. Reimbursement of travel costs will be in accordance with the Federal Travel Regulation and in accordance with FAR 31.205-46. The Contractor shall travel using the lower cost mode transportation commensurate with the mission requirements. When necessary to use air travel, the Contractor shall use the tourist class, economy class or similar lodging accommodations to the extent they are available and commensurate with the mission requirements. HUD will not reimburse Contractor's local travel. Local travel is defined as travel within fifty (50) miles of Oklahoma City, OK. All other travel will be reimbursed on a cost reimbursable basis; no profit or fee will be paid.

1.12 Transition-In - Conversion

As a successor, the Contractor shall have sufficient personnel on board during the one hundred and fifty (150) calendar day Transition-In period to ensure a smooth transition with the incumbent Contractor. The Contractor shall provide an orderly transition of work acceptance and accomplishment such that any impact to the program is minimized. During the Transition-In period, the Contractor shall become familiar with the requirements in order to commence full performance of services by the end of the contract Transition-In period. Transition-In is not required if the successor Contractor is the incumbent Contractor. The Government reserves the right to decrease Transition-In Period. (See Specific Task 5.1 Transition-In/Conversion)

2 Definitions and Acronyms

Loan Types Regulatory and Program Directives

The following information provides a description and reference for regulatory guidance of the specific programs.

Assigned First Mortgages (Forward): First mortgages transferred to HUD through the former Assignment Program, which provided forbearance relief for delinquent borrowers. The termination of the Assignment Program was effective as of April 26, 1996. HUD regulations governing the program are contained in HUD Handbooks 4330.2 REV-I&2; 4330.1 REV-5; 4335.2; 4310.5 REV-2; 24 CFR 203; Housing Notice H97-74; other applicable Housing Notices, Mortgagee Letters; and any subsequent publications regarding the aforementioned loans, as well as verbiage in the Note, Mortgage or Deed of Trust. Assigned mortgages are serviced as traditional whole loans.

Purchase Money Mortgage (PMM): PMMs and Ferrell PMMs are direct loans from HUD to certain eligible borrowers and/or non-profit corporations. Ferrell PMMs were the result of a lawsuit in which borrowers were given an opportunity to avoid foreclosure. HUD allowed those borrowers to purchase a home from REO and provided second mortgages in cases where the properties cost was more than the original loan. HUD originates and services the loan debt for Servicing for all PMMs is based on the terms of the mortgage.

Home Equity Conversion Mortgage (HECM)-Insured: FHA Insured HECM loans, commonly referred to as reverse mortgages, are designed to enable elderly homeowners to convert the equity in their homes to monthly streams of income and/or lines of credit. To guarantee continued payments to the borrower, should the lender fail to make the required payments, a second mortgage in HUD's name is executed and recorded subsequent to the first mortgage. Minimal servicing is required except in the event of lender failure, which has not occurred since origination of the HECM program in 1985.

Home Equity Conversion Mortgage (HECM)-Assigned: First mortgage loans in good standing, upon reaching a specified threshold, may be assigned to HUD for continued loan servicing for the life of the loan. Before acceptance of assignment of the first mortgage, HUD ensures that there is clear title from the lender to HUD. Following assignment, monthly or periodic payments are made by HUD's Contractor to the borrower. The Contractor also monitors the status of tax and hazard insurance payments and initiates foreclosure of the loan upon the death or non-compliance of the borrower.

The Housing and Community Development Act of 1987 (P.L. 100-242, February 5,1988) established and subsequent legislation has amended, a Federal mortgage insurance program, Section 255 of the National Housing Act, 12 USC 1715z-20, to insure home equity conversion mortgages (HECM).

HUD regulations governing the program are contained in 24 CFR 206. Handbooks guidelines are in 4235.1 REV-1; 4330.2 REV-1&2; 4330.1 REV-5, Chapter 13; 4335.2; and 4310.5 REV-2. Other guidance is contained in applicable Housing Notices, Mortgagee Letters, subsequent publications regarding HECM loans, as well as in the verbiage in the Note, Mortgage, and the Home Equity Conversion Loan Agreement.

235 Recapture Program: The former 235 Mortgage Subsidy program provided monthly assistance payments to help low income borrowers afford homeownership. The Housing and Community Development Acts of 1980 and 1981 that changed Section 235 of the National Housing Act requires the Secretary of HUD to recapture all or a portion of the subsidy assistance payments when the mortgage is terminated through payoff or sale of the property. Mortgages are subject to recapture where the firm commitment is dated on or after May 27, 1981 and are calculated by the Contractor. HUD regulations governing the program are contained in HUD Handbook 4330.1 REV-5 and Housing Notice H 94-66 as extended by Housing Notice H 2002-11.

Partial Claim (PC) Subordinate Mortgage: A Partial Claim, a loss mitigation tool, available to delinquent eligible borrowers, whereby HUD advances funds to the servicing lender to cover the delinquent arrearage for the borrower. In exchange, the borrower signs a subordinate note promising to pay HUD upon payoff or sale of the property. The Partial Claim as a loss mitigation option was first introduced in Mortgagee Letter (ML) 96-61, which has been superseded by ML 03-19 except for the model mortgage and note attachments. Servicing tasks are generally limited to collection of the note when the first mortgage is terminated through payoff or sale of the property. HUD regulations governing the program are contained in HUD Handbooks 4330.2 REV-1&2; 4330.1 REV-5; 4335.2; 4310.5 REV-2; all applicable Housing Notices; Mortgagee Letters especially ML 96-61, ML 2003-19, ML 2009-23, ML 2009-32, and ML 2012-22; any subsequent publications regarding Partial Claim Subordinate Mortgages; as well as verbiage in the Note and Mortgage.

Nehemiah Program: The Nehemiah Program, which has been terminated by HUD, was a down payment assistance program. These loans carry a second mortgage requiring repayment of all or a portion of the subsidized amount paid by HUD on behalf of the borrower. Payment of these mortgages is due upon sale or payoff of the first mortgage.

1. Title VI of the Housing and Community Development Act of 1987 established the Nehemiah Housing Opportunity Grants Program (N HOP), which authorized HUD to make grants available to nonprofit organizations to enable them to provide loans to families purchasing homes that are constructed or substantially rehabilitated in accordance with a HUD-approved program.
2. HUD regulations governing the program are contained in Housing Notice H 96-3 as extended by H 2002-13. The servicing guidance for this portion of the contract can be found in HUD Handbooks 4330.1 REV-5, Chapter 11; 4330.2 REV-1&2; 24 CFR 235; Housing Notices H 94-66 as extended by 1-1 2002-11; H 96-3 as extended by H2002-13; any other applicable Housing Notices, Mortgagee Letters; and any subsequent publications.

Good Neighbor Next Door Program (GNND): As part of its commitment to preserve neighborhoods, HUD sells foreclosed homes in designated revitalization areas at a 50% discount to police offices, teachers, fire fighters and emergency medical personnel. Program participants must agree to occupy the subject properties for a period of three years. Program requirements call for second mortgages on these loans as a means to secure compliance with the occupancy requirement. Where program compliance is fulfilled, HUD releases the second mortgage without charge to the mortgage holder. Failure to comply with the terms required by the Program will result in collection activity and possible foreclosure. This program began as a Presidential Initiative in August 1997 for law enforcement officers. Housing Notice H 97-51 introduced the program. The definition of a law enforcement officer was expanded in Housing Notice H 97-73, issued in December 1997, increasing the number of officers eligible to participate in the OND program. Housing Notice H 99-30 further expanded the existing program to include Teachers and placed the requirement for a second note and mortgage effective as of November 18, 1999. The program was further expanded in 2006 to include firemen and emergency medical technicians.

Asset Control Area Program (ACA): This program provides for the discounted sale of HUD owned properties in designated revitalization areas to local government agencies or non-profit groups willing to rehabilitate the properties and resell them to income eligible borrowers who must agree to occupy the property for a defined period of time. The ACA program requires placement of two different second mortgages in a sequential order as a means to secure program compliance. A compliance note provides recourse in the event the non-profit fails to complete the rehabilitation or defaults on any of the other program requirements. The second enforcement note provides recourse against the eventual owner occupant purchaser of the property to ensure that the occupancy requirement is met. When program compliance is fulfilled, HUD releases the appropriate second mortgage without any charge to the non-profit or borrower.

1. Initially implemented as a Demonstration Program in 1998 following enactment of Public Law 105276 and strengthened in September of 2002.
2. HUD regulations governing the program are contained Notices H 97-51; H 97-73; H 99-30; HUD guidelines found in HUD Handbooks 4330.2 REV-1&2; 4330.1 REV-5; 4335.2; 4310.5 REV-2;24 CFR 203; applicable Housing Notices, Mortgagee Letters; Standard Operating Procedures

and any subsequent publications regarding the aforementioned loans, as well as verbiage in the Note and/or Mortgages.

Hope for Homeowners (H4H): This program was introduced as part of The Housing and Economic Recovery Act of 2008 (HERA). Under this program, a borrower facing difficulty with his or her mortgage will be eligible to refinance into an affordable FHA-insured mortgage.

1. At origination of an H4H mortgage prior to January 1, 2010, the borrower executed a Shared Equity note and mortgage (SEM) in favor of HUD with a fixed dollar amount inserted for initial equity. Initial equity is calculated as the difference between the HOPE mortgage balance and the appraised value at the time of HOPE loan origination. Based on the date of sale, disposition or refinance, HUD is entitled to a percentage of the initial equity pursuant to the schedule stated in the Shared Equity Mortgage. The SEM should be recorded as a second priority lien against the property.
2. At origination prior to January 1, 2010, the borrower executed a shared Appreciation note and mortgage (SAM) in favor of HUD representing fifty percent (50%) interest in future appreciation. Based on the date of a sale, disposition or refinance, HUD is entitled to receive fifty percent (50%) in future appreciation with a subordinate lien holder(s) who met specific criteria for the HOPE mortgage. The SAM should be recorded as a third priority lien against the property.
3. All H4H mortgages originated on or after January 1, 2010, an Exit Premium Mortgage (EPM) replaced the SEM and the SAM. Based on the date of sale, disposition or refinance, HUD is entitled to a percentage of the initial equity pursuant to schedule state in the EPM.

Emergency Home Loan Program (EHLP): The Dodd-Frank Wall Street Reform and Consumer Protection Act provided $1 billion to the U.S. Department of Housing and Urban Development (HUD) to implement the Emergency Homeowners' Loan Program (EHLP). The program offers a declining balance, deferred payment loan (non-recourse, subordinate loan with zero interest) for up to $50,000 to assist eligible homeowners with payments of arrearages, including:

- Delinquent mortgage payments (principal and interest); and
- Delinquent taxes and mortgage insurance and hazard insurance premiums; and
- Condominium or homeowner’s association fees; and
- Late fees assessed by the lender/servicer; and
- Certain, foreclosure-related attorney's fees; and
- Lender inspection fees, when required under FHA regulations (24 CFR 203.377) for properties with FHA-insured mortgages that are in default.

In addition to payment of arrearages, EHLP funds will also be used to assist eligible borrowers to make payments of principal, interest, taxes and insurance (PITI) owed on their first mortgage.
Program assistance shall be provided to eligible borrowers for the greater of either:

- A maximum period of 24 months, or
- A maximum of $50,000 in mortgage payment assistance, whichever occurs first.

Under EHLP, HUD will assist eligible borrowers in Puerto Rico and the 32 states not assisted under the U.S. Treasury's Innovation Fund for Hardest Hit Housing Markets program. The methodology for determining the amount of EHLP assistance that shall be allocated to each state shall be based, in part, on each respective state's relative unemployment measures.
After the first payment is made on behalf of the borrower, the fiscal agent will create an open-ended "HUD Note" and mortgage in the name of the Secretary of the HUD of sufficient size to accommodate the expected amount of the assistance to be provided to homeowner.

Approved applicants will be required to sign the HUD Note and mortgage agreeing to repay in full the principal balance of funds loaned to their household through the EHLP Program, either $50,000 or any mount between $0.00 and $50,000, whichever is lesser and reflects the actual amount loaned to the borrower.

The final balance of the loan shall be provided to the Contractor via electronic upload upon a determination of termination of assistance has been made for a given borrower, per program terms and policies described. The mortgage shall be recorded by the EHLP Fiscal Agent as a subordinate lien to the borrower's first mortgage.

2.1 Definitions

Business/Work Days - Every official work day of the week which are days between and including Monday to Friday. This does not include public holidays and weekends.

Calendar Day - Any day of the week.

Contractor - A supplier or vendor awarded a contract to provide specific supplies or service to the Government. The term used in this contract refers to the prime.

Contracting Officer (CO) - A person with authority to enter into, administer, and/or terminate contracts and make related determinations and findings on behalf of the Government. Note: the only individual who can legally bind the Government.

Defective Service - A service output that does not meet the standard of performance associated with the Performance Work Statement.

Deliverable Anything that can be physically delivered, but may include non-manufactured things such as meeting minutes or reports.

Government Furnished Property (GFP) - Government-furnished property means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.

Government Technical Monitor (GTM) - An individual designated by the Contracting Officer to assist in providing technical direction and monitoring performance under the contract.

Government Technical Representative (GTR) - An employee of the U.S. Government appointed by the Contracting Officer to perform contract administration activities in regard to technical issues. This individual has authority to provide technical direction to the Contractor as long as direction is within the scope of the contract, does not constitute a change and has no funding implications. This individual does NOT have authority to change the terms and conditions of the contract.

Performance Requirements Summary (PRS) - A listing of the performance requirements under the contract that are to be evaluated by the Government on a regular basis, performance indicators for these requirements, performance standards for these requirement and surveillance methods to be used to determine if performance standards are met.

Performance Standard - The Contractor's performance level required by the Government.

Performance Work Statement (PWS) - A statement of work for performance based acquisitions that describe the required results in clear, specific and objective terms with measurable outcomes.

Physical Security - Actions that prevent the loss or damage of Government property.

Quality Assurance (QA) - Policies and procedures adopted by the Government to ensure that supplies and services acquired under Government contracts conform to the contracts quality requirements.

Quality Assurance Surveillance Plan (QASP) - A plan describing how the agency will survey, observe, test, sample, evaluate and document the Contractor's performance in meeting critical performance standards identified in the contract.

Quality Control (QC) - All necessary measures taken by the Contractor to assure that the quality of an end product of service shall meet contract requirements.

Service Contract - A contract that directly engages the time and effort of a Contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.

Subcontractor - Any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, material, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and any person who offers to furnish or furnishes general supplies to the prime contractor or a higher tier subcontractor. The Government does not have privity of contract with a subcontractor.

Work Week - Monday through Friday, unless specified otherwise.

2.2 Acronyms

AQL - Acceptable Quality Level

CFO or OCFO - Office of the Chief Financial Officer of HUD

CFR - Code of Federal Regulations

CIO or OCIO - Office of the Chief Information Officer of HUD

CO - Contracting Officer

COR - Contracting Officer Representative

COTS - Commercial Off-the-Shelf

CPO - Office of the Chief Procurement Officer of HUD

EST - Eastern Standard Time (U.S.)

ETC - Estimate to Completion

GAO - U.S. General Accounting Office

GTM - Government Technical Monitor

GTR - Government Technical Representative

HUD - U.S. Department of Housing and Urban Development

HUDAR - HUD Acquisition Regulation

HUD Web - HUDs Intranet Web Site and related WEB pages.

IG or OIG - Inspector General (Office of)

IT - Information Technology

OCPO - Office of the Chief Procurement Officer

OIG - Office of Inspector General

OMB - Office of Management and Budget

PL Public Law

PM - Project Manager

POC - Point of Contact

PPM - Project Planning and Management

QA - Quality Assurance

QASP - Quality Assurance Surveillance Plan

QCP - Quality Control Plan

SF - Standard Form

TBD - To be determined

U.S.C - United States Code

3 Government-Furnished Property and Services

The Contractor shall ensure accurate control and accountability of all Government-Furnished Property in accordance with the terms and conditions of this contract. The Government will furnish, at no cost to the Contractor, the GFP shown below.

3.1 Government Systems and Services

3.1.1 Information Systems - The following are descriptions of HUD systems and databases used daily to support tracking and servicing of HUDs mortgages.

3.1.1.1 Single Family Insurance System (SFISnet or A43) - The Single Family Insurance System (SFIS) is a HUD system of record used to maintain the insurance-in-force (IIF) database, which contains accurate and detailed case information on FHA-insured single family properties (except HECM). The Contractor shall access SFIS to verify loan information as deemed necessary to determine insurance status and claims information.

3.1.1.2 FHA Connection -The FHA Connection is an interactive system available through the Internet that gives approved FHA lenders real-time access to FHA systems for the purpose of conducting official FHA business in an electronic fashion such as reporting the status of insured loans. Additionally, the FHA Connection allows HUD to post information of interest to Mortgagees. FHAC can also be used to determine insurance and claims information.

3.1.1.3 Extensions and Variance Processing (EVARS) - a business service provider that provides FHA lenders an interactive automate process available through the Internet that gives approved FHA lenders real-time opportunity for automated request, review, approval and/or denial of extensions and variances related to various loan programs.

3.1.1.4 Electronic Courses on Loss Mitigation and Servicing (ECLASS) a business service provider that provides FHA lenders, housing counseling agencies, HUD and other non-profit organizations with web-based "Servicing and Loss Mitigation" training and notifications to various related conferences.

3.1.1.5 Single Family Mortgage Asset Recovery Technology (SMART) - the current business service provider used to service and track servicing activities on most loan portfolios named within this PWS. SMART is currently the business service provider that provides automated business processes that support comprehensive loan servicing on all other programs that are under the jurisdiction of the National Servicing Center. SMART has the capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.

3.1.1.6 Home Equity Reverse Mortgage Information Technology (HERMIT) a business service provider used to service and track servicing activities for HECM loans. The servicing module in HERMIT allows HUD and servicers to effectively service all HECM loans from initial loan setup through the claims process. All HECM servicing is expected to occur in the HERMIT system.

3.1.1.7 P260 a business service provider used by HUD to track and manage REO properties.

3.1.1.8 Neighborhood Watch- Neighborhood Watch is intended to aid HUD/FHA staff in monitoring lenders and our programs, and to aid lenders and the public in self-policing the industry. The system is designed to highlight exceptions, so that potential problems are readily identifiable. In addition, the system can be used to identify loan programs, geographic areas and lenders that are performing well

3.1.1.9 HUD-owned toll-free telephone number (1-877-622-8525).

3.1.2 Access to HUD Information Systems – Contractor's software and hardware must be compatible with HUDs existing computer environment or environment that may evolve during the life of this contract. HUD software currently used includes Microsoft Office suite of tools, Adobe Acrobat, and other standard office software. The Contractor shall ensure compatibility with the HUD network. Contractor employees (including subcontractors) who will need to have access to HUD information systems and/or business service providers (e.g. SAMS or P260) must undergo a background investigation. See Clause HUDAR 2452.239-70 Access to HUD Systems (Deviation).

3.1.2.1 Security Access -Due to the sensitivity of loan, property and vendor profile data, access to HUD systems and/or business service providers shall be limited to individuals based upon their specific duties and the security of the system. As a condition of obtaining access, Contractor employees requiring access to HUD systems shall follow the procedures as set forth in Section I, HUDAR 2452.239-70. HUD may grant, deny, or revoke an individual's access rights to a HUD system based upon the results of the security background check of the individual. The Contractor shall provide written notification to the GTR not later than one (1) business day of termination or resignation of any employee granted HUD systems access or when there is no longer a need for access to HUD systems by any Contractor employee. The Contractor shall maintain an up-to-date list that identifies contract employees with access to each of the information systems described in this section and the justification for each employee's level of access.

3.1.2.2 The GTR will request access to the computerized systems and/or business service providers and any databases used to track and service Secretary-owned mortgages, not later than five (5) calendar days from receipt of approved security clearance.

3.1.3 References - All HUD Handbooks, Forms, Housing Notices, Mortgagee Letters, and Federal guidelines are available through the library resource section of the HUD website at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1

3.1.4. Standard Operating Procedures HUD will provide standard operating procedures (SOPs) for all loan programs serviced under this contract which shall be followed by the Contractor along with Handbooks and all other directives provided.

3.1.5. Workload Volume - HUD reserves the right to determine workload volume and the type and number of assets assigned to the Contractor at any given time.

3.1.6. VPN Connectivity - HUD Headquarters Information Technology Division (IT) will order and coordinate connectivity via VPN Tunnel to the Contractors office upon identification of the Contractors facility address. Installation of the VPN Tunnel is estimated to take 60 calendar days or more.

3.2 Facilities

The Government will not provide facilities.

3.3 Equipment

The Government will not provide equipment.

3.4 Materials

The Government will provide Functional Requirements Documents, Training Materials and User Manuals.

Copies of required materials may be provided to the Contractor in hard copy or soft copy. All materials will remain the property of the Government and will be returned to the GTR upon request or at the end of the contract period.

3.5 Quality Assurance (QA)

The Government shall evaluate the Contractor's performance under this contract in accordance with the Quality Assurance Surveillance Plan. This plan is primarily focused on what the Government must do to ensure that the Contractor has performed in accordance with the performance standards. It defines how the performance standards will be applied, the frequency of surveillance, and the minimum acceptable quality level.

4 Contractor-Furnished Items and Services

The Contractor shall furnish all facilities, equipment including software, licenses and any automated business processes, computer hardware, and supplies required to perform the work under this contract that are not listed under Government-Furnished Property and Services.

4.1 Physical Security and Safeguards

The Contractor shall establish and maintain a physical file that contains all documents, legal instruments and correspondences that pertain to each portfolio. The Contractor shall adhere to all current HUD regulations and directives on file retention and storage requirements as described in Handbook 2225.6 Rev. 1 Chg. 44 or subsequent policy directive. The actual cost of shipping files for record retention, or at the termination of the contract, when incurred in accordance with contract requirements, will be reimbursed as a pass-through expense with prior GTR approval.

4.1.1 Delivery of Files Upon Request - The Contractor shall, not later than forty-eight (48) hours from receipt of a written request from the GTR, deliver to HUD complete, accurate, legible, and accessible copies of the requested electronic or physical files.

4.1.2 Date Stamps -The Contractor shall date stamp all incoming correspondence with the date the document was received in the Contractor's office. Date stamp shall bear the name of Contractor, "Received" and received date.

4.1.3 Non-Disclosure of Sensitive Information - Neither the Contractor nor any of its employees or affiliates shall disclose nor did cause to be disseminate any information relating to the services hereunder

to any person not entitled to receive it. Failure to safeguard any sensitive information that may come to the Contractor or any person under his/her control in connection with work under this PWS, may subject the Contractor or its agents or employees to criminal liability or termination for default. The Contractor shall establish procedural and technical controls in their quality control plan to protect confidential and sensitive information.

4.1.4 File Storage - The Contractor shall ensure that the electronic file storage provided meets all Federal requirements for storage of Federal records and be protected against misuse or release of sensitive data to anyone not directly designated to or affiliated with this contract. The Contractor shall safeguard all computerized system extractions containing HUD data while at the same time affording necessary access to designated HUD staff. The Contractor shall utilize all known safeguards to prevent any unauthorized access to the data or systems that the Contractor has been granted. The Contractor shall establish confidential procedural and technical controls to protect information. The file storage facility provided by the Contractor shall meet all Federal requirements for storage of Federal records and financial assets. The files shall be located in a facility that allows these files to be available to the Contractor or staff not later than twenty-four (24) hours from request. The Contractor shall safeguard all documents including but not limited to legal documents, correspondences, accounting related documents, etc. by electronic imaging and storage.

The Contractor shall establish controls to protect data from accidental or malicious alteration or destruction prior to submission to HUD's Federal Records Center. These controls must be documented in the QCP.

4.1.5 Certificate of Independence: The contractor shall certify to the GTR or GTM that each employee does not have a Secretary Held Mortgage, using the form Certificate of Independence

4.2 Computer Hardware, Software, and Automated Business Processes

The Contractor shall provide hardware equipment that is adequately maintained and fully operational to support all business service providers identified within this PWS. This includes all interface connectivity, application software, testing and documentation to support the requirements of the PWS; NSC accessibility; and access to any SF Asset Management Office including, but not limited to, the HOC offices and HUD headquarters offices. All systems shall be compatible with the HUD platform environment. The Contractor shall ensure all systems are compatible with future environments that HUD may upgrade or into which HUD may migrate. All business servicing providers, websites, and databases developed, enhanced, modified, maintained and supported for use during the life of this contract shall be in conformity with the accepted standard practices of HUD's IT infrastructure and system development platforms. (http://portal.hud.gov/hudportal/HUD?src=/program_offices/cio/ppm/PPMV20HOME)

4.2.1 System Rights - All rights to any new development, modification, enhancement, update etc. to any new or current business service provider, website, etc. shall be the owned by HUD immediately upon design and approval by the GTR, pursuant to Federal Acquisition Regulation at FAR 52.227-14, Rights in Data General.

4.2.2 Personally Identifiable Information The contractor shall establish, document, and maintain technical and procedural protections against the release of personally identifiable information. The contractor shall complete a Privacy Impact Assessment annually.

4.2.3 Authentication of Personal Identity The contractor shall establish, document, and maintain technical and procedural methods to authenticate personal identify in all transactions with the public in accordance with Federal e-Authentication regulations. The contractor shall complete an e-Authentication Risk Assessment report annually

4.2.4 The Contractor shall maintain the security and integrity of business service provider's data and/or systems data, all maintenance, training and technical support to all various users, and must comply with all HUD security requirements including employees taking the required HUD Security Awareness Training. The contractor shall ensure that all functions of the contract are carried out regardless of the capabilities of HUD's systems.

4.3 Material

The contractor shall furnish their own materials.

4.4 Contractor Responsibilities

The Contractor shall only conduct business with designated Government personnel listed as points of contact (POCs). Names of authorized personnel shall be provided to the Contractor by the Government, in writing, and updated as necessary throughout the contract period.

U.S. Government records, copies of original results and reports, verified original data, corrected data and corrected supporting final reports which are maintained by the Contractor remain the property of the U.S. Government. These files/results must be surrendered to the GTR.

36 CFR CHAPTER XI, U. S. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD (ACCESS BOARD) STANDARDS AS RELATED TO CONTRACT DELIVERABLES

4.4.1 Unless otherwise specified, all deliverables under this contract shall comply with 36 CFR 1194.21 Software Applications and Operating Systems, 36 CFR 1194.22 Web-based Intranet and Internet Information and Applications, 36 CFR 1194.23 Telecommunications Products, 36 CFR 1194.31 Functional Performance Criteria, and 36 CFR 1194.41 Information, Documentation and Support under the authority of Section 508 of the Rehabilitation Act Amendment of 1998, 29 USC 794d. In order to comply with these standards, the Contractor shall submit all copies in a format readable by the assistive technology program, JAWS (HUD's standard screen reader). To view the entire text on 36 CFR Part I 194, go to www.section508.gov or www.access-board.gov and for Federal Acquisition Regulation Subpart 39.2 go to www.arnet.gov/far.

4.4.2 508 Compliant - The following is provided as an example of Section 508 of the Rehabilitation Act Amendment of 1998 compliance.

4.4.3 Logo Graphics an assistive technology program will inform the user that a graphic is on a page, but the systems cannot read the graphic itself, thus a caption, such as "Department of Housing and Urban Development logo," needs to be provided.

4.4.4 Flow Charts and Graphs - an assistive technology program will read information in each of the "boxes" but it will not read arrows or lines, thus an unsighted person would not be able to determine

relationships between the "boxes" and would not know a relationship even exists. To make these items compliant with Section 508 of the Rehabilitation Act Amendment of 1998, a description of the graphic would have to be provided. Any necessary chart, graphs, or illustrations shall be attached in an appendix and shall not be contained within the body of the document.

4.4.5 Color and Tables - Section 508 of the Rehabilitation Act Amendment of 1998 does not permit the use of either color or tables, thus the Contractor would have to ensure that all information conveyed with color is also available without color and that row and column headers are identified for tables.

4.5 Contractor Personnel

The Contractor shall provide a Contract/Project Manager who shall be responsible for the performance of work. An alternate shall also be designated to act in the absence of the Contract/Project Manager. These Contractor personnel (main point of contact and alternate point of contact) are considered Key Personnel by the Government and shall be listed as such in accordance with HUDAR 2452.237-70, "Key Personnel. The Contract/Project Manager and alternate shall have full authority to act on all contact matters relating to daily operations of this contract. Accordingly, at a minimum, the points of contact shall have the technical knowledge of the requirement and be in the position to actually receive assignment, guidance, and direction from the GTR, GTM and CO per HUDAR 2452.237-73, "Conduct of Work and Technical Guidance" and shall be allocated enough hours to the requirement to ensure successful performance. These points of points of contact shall each be an employee of the Contractor. An employee of a subcontractor is not acceptable for either of these positions. The Contract/Project Manager or alternate shall be available between the hours of 7:00 am to 7:00 pm, local time in the geographical, Monday through Friday, except Federal Holidays or when the Government facility is closed for administrative reasons.

Staffing: The Contractor shall employ a sufficient number of experienced staff dedicated to this contract with technical capabilities to complete all deliverables in a timely, accurate, and concise manner as set forth in the scope of work. The Contractors staff shall demonstrate knowledge of servicing and loss mitigation and interpreting as well as implementing HUD regulations governing home mortgage programs. They must also have a wide range of knowledge in lending institutions, mortgage servicing activities, workout solutions and foreclosure relief alternatives.

Systems Security Administrator: Not later than five (5) business days from the effective date of the contract, the Contractor shall provide to the GTR the designated Systems Security Administrator (SSA) who at a minimum has qualifications with CISSP, Security +, and sufficient experience in federal security documentation and system certification. The GTR will provide the necessary security forms via electronic submission and the Contractor shall coordinate a date with the GTR whereby each individual will be required to complete the process

Key Personnel

The personnel specified below are considered to be essential to the work being performed under this contract. Prior to diverting any of the specified individuals to other projects, the contractor shall notify the Contracting Officer (CO) reasonably in advance and shall submit a resume (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be

made by the contractor without the written consent of the CO. Key personnel shall meet the following minimum qualifications:

- Project Director – Shall be required to devote 51% of time providing oversight of all contract requirements, deliverables and responsible for the following but is not limited to overall contract management, control of funds and resources allocation, quality control; formulating and enforcing work standards, reviewing work discrepancies, supervising supervisory personnel, communicating policies and managing client communication.
- Contract Manager -Qualifications based on past work history commensurate with the title
- Alternate Contract Manager- Qualifications based on past work history commensurate with title
- Cash Manager Certified Public Accountant (CPA)- license and experience with U.S. Treasury Cash Management Regulations
- IT Manager Qualifications- based on past work history and the following minimum certifications and requirements are required: Technical Management, Technical Understanding, Analyzing Information, Informing Others, Staffing, Problem Solving, Data Center Management, Developing Budgets, Coordination, Strategic Planning, Quality Management; Duties include: Develop requirements, outlines, budgets, and schedulers for information technology projects. Oversee all phases of project from conception to completion. Follow PMI standards to manage projects through the project lifecycles of initiation, planning, execution and closure.
- Database Administrator - Qualifications include a bachelor degree in Information Technology or Computer Science and two (2) years of working experience in database coordinator or database programmer. Minimum requirements are required: Possesses demonstrated work experience of design of database strategies, development, installation, configuration, upgrading, administration, monitoring, maintenance, and security of databases; Understands complex database concepts and effectively employs different database design techniques. Possesses demonstrated work experience with more than one relational database management system. Maintains database performance by calculating optimum values for database parameters; implementing new releases; completing maintenance requirements; evaluating computer operating systems and hardware products.
- Web Developer- Possesses significant knowledge in planning and delivering software platforms used across multiple products and organizational units, client/server and internet systems architectures (MCSE), Deep expertise and hands on experience with Web Applications and programming languages such as HTML, CSS, JavaScript, JQuery and API's, strong understanding of UI, cross-browser compatibility, general web functions and standards. Web Developer Skills and Qualifications includes JavaScript, JQuery, HTML, HTML5, CSS, CSS3, Web Programming Skills, E-Commerce, Teamwork, Verbal Communication, cross-browser compatibility, Web User Interface Design (UI), Security Principles, Object-Oriented Design, Web Services (REST/SOAP), Multimedia Content Development, API's.
- Web Administrator - Qualifications based on past work history and the following minimum qualifications and requirements are required: Ensures that all information on the website is accurate and up to date. Establishes and Upgrades Web system specifications by analyzing access, information, and security requirements; designing system infrastructure. Establishes Web system by planning and executing the selection, installation, configuration, and testing of server hardware, software, and operating and system management systems; defining system and

operational policies and procedures. Secures Web system by developing system access, monitoring, control, and evaluation; establishing and testing disaster recovery policies and procedures; completing back-ups; maintaining documentation.

- Financial Systems Analyst - Qualifications based on past work history and the following minimum qualifications and requirements are required: experience providing support for financial/accounting systems; applying and advising on financial system policies and procedures; performing extensive business process analysis through evaluation of financial systems, policies, procedures, and regulations. Preparing and reviewing the software change request, and test plans. Ensuring supporting documentation and training for end user on new software is created. Applicants must have IT-related experience demonstrating: Attention to Detail, Customer Service, Oral Communication and Problem Solving.
- Systems Analyst - Qualifications based on past work history and the following minimum qualifications and requirements are required: Conducting detailed analyses of complex functions and work processes; Conducting studies, analyzing findings and making recommendations on program operations; Conducting a variety of special projects which require reviewing agency policies, objectives, management principals and processes and applies analytical and evaluative methods and techniques to assess program development or execution; Developing, implementing, and monitoring management information systems; Monitoring and compiling data from management information systems; Developing new and recommending changes to existing procedures; Developing or directing the development of new or revised policies, procedures, standards, or guidance for HUD programs; Interpreting, implementing and providing technical guidance on special projects, policies, and regulations related to HUD programs; Communicating and presenting analyses in writing or orally to management.

4.6 Identification of Contractor Employees

All Contractor/subcontractor personnel shall wear company picture identification badges as to distinguish themselves from Government employees. When conversing with Government personnel during business meetings, over the telephone, or via electronic mail, Contractor/subcontractor personnel shall identify themselves as such to avoid situations arising where sensitive topics might be better discussed solely between Government employees. Contractors/subcontractors shall identify themselves on any attendance sheet or any coordination documents they may review. Electronic mail signature blocks shall identify their company affiliation. Where practicable, Contractor/subcontractors occupying collocated space with their Government program customer shall identify their work space area with their name and company affiliation, or at a minimum, "Contractor" after name.

4.7 Quality Control

The Contractor shall establish and maintain a complete quality control program that shall ensure services are performed in accordance with this contract. The Contractor shall develop and implement procedures to identify, prevent, and ensure non reoccurrence of defective services. The Contractor's quality control program is the means by which he assures himself that his work complies with the requirements of the contract. The Contractor shall provide the associated Quality Control Plan to the Government as directed.

5 Specific Tasks

5.1 Transition-In/Conversion

The Transition Period will run from the effective date of the contract and will not exceed the timeframes established herein or as set forth by the Contracting Officer. During the Transition Period the Contractor shall continue to adapt its physical infrastructure; subcontract support; develop or obtain necessary hardware, software, Internet applications and information technology. The Contractor shall also attend HUD provided training; provide training to its workforce to enable them to provide required services under this PWS; obtain all required licenses, permits, bonds and legal permissions required to transact business within the contract area; develop and implement quality assurance programs, gradually assume contract responsibilities and assume full contract responsibility as described in this paragraph.

The Transition Period shall have two (2) phases. The activities for each phase are described below:

5.1.1 Phase One - BSP System Preparation

Phase One begins on the effective date of the contract and continues for one hundred and twenty (120) calendar days. During this period, the Contractor shall complete preparation activities including setting up BSP system infrastructure, converting of the existing system, attending specialized training and meetings with HUD staff and the incumbent Contractor and providing Management Work Plan, Implementation Plan, and any other required documents by HUD.

The Contractors staff will receive servicing, system and any specialized training by HUD or its designee within 30 days after contract award. The Contractor shall notify the GTR of all attendees not later than two (2) business days prior to the commencement of the training. All PIV documents must be submitted to HUD prior to the commencement of training. After training begins, additional trainees may be added only with the GTRs prior approval. HUD reserves the right to adjust the number of trainees who may attend. After initial training, training of additional employees is the responsibility of the Contractor. In the event of any significant change in program terms or directives, HUD will provide subsequent training as needed.

A file transfer of information will be provided in a method approved by the GTR and shall consist primarily of electronic documents of the existing production and all other documentation required to facilitate effective conversion.

5.1.1.1 Implementation Plan

The Implementation Plan provides an overview of activities, schedules, resources, and support-planning efforts to be employed to accomplish the conversion from the current environment built and maintained by the retiring Contractor to the new BSP known as the receiving Contractor. It is anticipated that the Contractor will work closely with the incumbent contractor, the Government Technical Representative (GTR), the Government Monitor Representative (GTM) and key HUD staff to implement full conversion within the required timeframe. The Contractor will deliver a draft Implementation Plan to the GTR and Contracting Officer (CO) within thirty (30) calendar days from the effective date of the contract.

Performance Standards
a) Standard: The Contractor will deliver a draft Implementation Plan thirty (30) calendar days from the effective date of the contract.

AQL: within forty-five (45) calendar days from the effective date of the contract.

Deliverables
A001 Implementation Plan

5.1.1.1.1 The Implementation Plan shall clearly describe the conversion efforts, and shall include: The contractor shall become familiar with the data, tables, attributes, applications, platform and websites in order to provide a seamless conversion to the new site. If the Contractor can provide a more effective/efficient means for the platform, application, reports and data functionality than currently represented in code, schema, or other transition materials, the Contractor shall apprise the GTR in writing explaining the issue and providing alternative resolutions for the GTR to consider.

The Contractor shall perform close scrutiny of the business rules, report formats, applications and website functionality during the conversion period and shall enhance, if necessary.

Performance Standards
a) Standard: The Contractor shall deliver an updated and approved Implementation Plan forty-five (45) calendar days from the effective date of the contract.

AQL: No deviation.

5.1.1.1.2 To accomplish a seamless conversion, at a minimum, the following efforts are expected:

The Contractor shall thoroughly review all current support document and/or coding of internal business rules to identify potential attributes or columns that may need revision to ensure efficient the new system.

The Contractor shall establish websites allowing full access to internal HUD users within ninety (90) calendar days from the effective date of the contract. This initial access shall be for HUD internal users only.

While the conversion is in process, the Contractor shall receive and maintain all data from a monthly refresh and remain ready for the update of all reports with this data. The Contractor shall provide alternate methods of providing support to HUDs business needs while the new websites/application are being developed.

Performance Standards
a) Standard: The Contractor shall establish websites and SMART BSP function within ninety (90) calendar days from the effective date of the contract.

AQL: within one hundred twenty (120) calendar days from the effective date of the contract.

5.1.1.1.3 BSP Architecture Information

The BSP will use state-of the art technology and an operational architecture consistent with HUDs existing and planned standard enterprise architecture (EA) infrastructure. HUDs EA information is available http://www.hud.gov/offices/cio/ea/newea/resources/. The underlying system architecture (e.g., client-server, thin/rich client, etc.) must adhere to HUDs Office of the Chief Information Officer and Office of Information Technology principles. Rules-based interfaces shall be used to facilitate seamless, event-driven transactions (e.g., via XML or JMS messaging). Interfaces will be automated and managed via a middleware component so that duplicate data entry is eliminated and interface code and configuration will be reusable and repeatable, and that the synchronization of data exchanges across the involved systems will be preserved. To ensure increased availability and uptime of applications, contractor shall ensure that the development and production sites operate independently of each other. Security of the system shall be in accordance with HUD standards as described and required in HUD Handbook 2400.25, see http://portal.hud.gov/hudportal/documents/huddoc?id=240025CIOH.pdf for more information.

Performance Standards
a) Standard: The Contractor shall comply with HUDs EA information.

AQL: no deviation

Deliverables
A002 Configuration Management Plan

5.1.1.1.4 BSP Architecture

The Contractor shall complete the establishment of its physical infrastructure, ensure that a complete qualified and trained workforce of employees or subcontractors are in place, obtain all licenses, permits, bonds and qualifications, required to transact business in the geographic locations within the contract area and implement the information technology and support necessary to perform the requirements contained in this PWS.

Performance Standards
a) Standard: The Contractor shall complete the establishment of its physical infrastructure according HUD's IT infrastructure and standard.

AQL: No deviation.

b) Standard: The Contractor shall develop, configure, deliver and implement BSP Infrastructure within sixty (60) calendar days from the effective date of the contract.

AQL: within seventy-five (75) days from the effective date of the contract.

Deliverables
A003 BSP Architecture

5.1.1.1.5 Web Information

The Contractor shall provide specialized web hosting servicing, enhancements, training and support as specified for web-based business service providers and/or automated business processes. The Contractor shall provide full interoperability with other HUD and external systems.

Performance Standards

a) Standard: The Contractor shall provide specialized web hosting in accordance with HUD standards.

AQL: no deviation

b) Standard: The Contractor shall develop, configure, deliver and implement web hosting service within sixty (60) calendar days from the effective date of the contract.

AQL: within seventy-five (75) days from the effective date of the contract.

5.1.1.1.6 Web Hosting

The Contractor shall provide specialized web hosting servicing, enhancements, training and support as specified for web-based business service providers and/or automated business processes. These include, but are not limited to the Electronic Courses on Loss Mitigation and Servicing System (ECLASS), the Extension and Variance System (EVARS), and Single Family Mortgage Asset Recovery Technology (SMART) and any similar applications that are developed as web-based programs to supplement and facilitate loan servicing. ECLASS provides Servicing and Loss Mitigation training, notifications to various related conferences to HUD users, lenders and non-profit organizations. EVARS provides lenders an opportunity for automated request, review, approval, and rejection of extensions and variances related to various loan programs. The business service provider tracks all inbound and outbound calls according to the requirements in this PWS. The Contractor shall provide a secure and remotely accessible through a cloud computing environment that is FedRAMP certified.

Performance Standards

a) Standard: The Contractor shall provide web-based and rule-based services.

AQL: No deviation

b) Standard: The Contractor shall develop, configure, test, deliver and implement web hosting service within sixty (60) calendar days from the effective date of the contract.

AQL: within seventy-five (75) days from the effective date of the contract.

c) Standard: The Contractor shall provide a secure and remotely accessible through a cloud computing environment that is FedRAMP certified.

AQL: no deviation.

d) Standard: The Contractor shall maintain and provide secure access without interruption to EVARS (https://evars.hudtulsa.org) and ECLASS (https://eclass.hudtulsa.org) as soon as the transfer of the websites from the retiring contractor complete.

AQL: no deviation

Deliverables
A004 A Web Hosting Service that is FedRAMP certified

5.1.1.1.7 VPN Connectivity

The Contractor shall establish a Site-To-Site Connectivity or VPN Solution for the connectivity to HUD. VPN connection HUD Headquarters Information Technology Division (IT) will order and coordinate connectivity via VPN Tunnel to the Contractors office upon identification of the Contractors facility address. Installation of the VPN Tunnel is estimated to take 60 calendar days or more.

Performance Standards
a) Standard: The Contractor shall comply with HUDs EA information.

AQL: no deviation

b) Standard: Installation of the VPN Tunnel is taken place within 60 calendar days from the effective date of the contract.

AQL: within seventy-five (75) calendar days from the effective date of the contract.

5.1.1.1.8 Password Administration - Role Based Access

All system users including employees, business partners including contracted FHA lenders, and customers will have role-based system access, independent of geographic location. The Contractor must be designed to accommodate a varied and disparate user population. This design must allow for future scalability, while accounting for changes in business practices and policies. System access must be granted via structured login, providing role-based user authentication. The Contractor will utilize the same user identification number ID and password in order to accommodate a single sign-on requirement. The Contractor will ensure that a user ID and password are authenticated at sign-in and that a user class and security level restrict which functions can be performed. Additionally, the Contractor will provide an audit trail of each user transactions.

The Contractor shall design, develop, implement and maintain password provisions adhering to all federal guidelines associated with electronic transmissions and data collection with respect to proprietary aspects of the websites and systems as set forth by the GTR. This shall provide limited access to data sets to certain groups or individuals, as specified by the GTR.

Performance Standards
a) Standard: The Contractor shall create an audit trail.

AQL: No deviation

b) Standard: The Contractor shall develop customized user profiles adhering to all federal guidelines.

AQL: 100% Compliant with applicable regulations

c) Standard: The Contractor will utilize the same user identification number ID and password in order to accommodate a single sign-on requirement.

AQL: 100% Compliant with applicable regulations

d) Standard: The Contract shall create and setup different user's profiles based on HUD's guidance and business processes within sixty (60) days from the effective date of the contract.

AQL: within ninety (90) calendar days from the effective date of the contract.

Deliverables
A005 E-Authentication
A006 Security Profiles and Audit

5.1.1.1.9 Telecommunications Hook-Ups, Etc.

The Contractor shall acquire, maintain and manage the HUD-owned toll free telephone number available for use by HUD employees and customers.

The Contractor shall provide telecommunications hook-ups, including equipment to communicate with hearing-impaired clients, and a sufficient number of toll-free lines to meet the performance requirements.

The telephone system for the toll-free lines shall include an option for Spanish language communication and TDD for the hearing impaired.

The Contractor shall have the capability of growth to support ongoing HUD programs and initiatives that may need separate toll-free numbers.

The equipment shall have the ability to transfer calls through an Interactive Voice Response (IVR) prompt which will require connectivity from the Contractor's office to the NSC; the Contractors equipment shall provide the ability for the NSC to monitor live incoming calls into the Contractors telecommunications system, monitor toll-free calls to capture workload and performance statistics, generate reports to document.

Performance Standards

a) Standard: The Contractor shall acquire a toll free telephone which will become a HUD owned-toll free telephone number and develop a help desk email and physical addresses within sixty (60) calendar days from the effective date of the contract.

AQL: within seventy-five (75) calendar days from the effective date of the contract

b) Standard: The Contractor shall develop a customer helpdesk email and physical addresses within sixty (60) calendar days from the effective date of the contract.

AQL: within seventy-five (75) calendar days from the effective date of the contract

c) Standard: The telecommunication system maintains an operational capability 100% of the time, except during periods of approved documented scheduled maintenance.

AQL: Scheduled maintenance shall be approved by the GTR no later than 48 hours prior to downtime

Deliverables
A007 Telecommunication Hookups

5.1.1.1.10 Conversion

The Contractor shall begin preparation for the conversion of the existing data, table shells, code, schema, processes, business rules and reports, from the existing environment immediately upon award of the contract. To accomplish a seamless conversion, within one hundred and twenty (120) calendar days from the effective date of the contract, the following efforts are expected:

- The Contractor shall receive, process and convert all information, data, table shells, processes and reports from the incumbent and any other from internal and external HUD systems by transferring all processes, reports, data elements and table shells into the newly established business intelligence software environment with no disruption in current service levels, access, or data/report availability.
- The Contractor shall perform close scrutiny of the business rules, report format and functionality during the conversion period and shall enhance reports, if necessary, that are already in use by HUD from in the retiring contractor.
- The Contractor shall thoroughly review all current coding, programming to identify potential attributes, columns or business rules that may need revision to ensure efficient use of the new system.
- The Contractor shall convert all standard, non-standard and specialized reports from the existing system to the new system allowing users access to complex report functions, data exploration.

Performance Standards
a) Standard: The contractor shall receive and process data from incumbent and any other from internal and external HUD system within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred and fifty (150) calendar days from the effective date of the contract

b) Standard: The Contractor shall perform close scrutiny of the business rules, report format and functionality during the conversion period and shall enhance reports, if necessary, that are already in use by HUD from in the retiring contractor within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred and fifty (150) calendar days from the effective date of the contract.

c) Standard: The Contractor shall begin converting all data, sequels, business rules and flat files from retiring contractor to the new platform during the conversion period within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred and fifty (150) calendar days from the effective date of the contract.

d) Standard: The Contractor shall convert all database/files/reports/programs/procedures from existing systems including SMART/EVARS/ECLASS to a new platform/application within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred and fifty (150) calendar days from the effective date of the contract.

e) Standard: The Contractor shall convert and deliver these functions including SMART (See Specific Task 5.2 SMART), Accounting (See Specific Task 5.5 Accounting) and Customer Support (See Specific Task 5.6 Customer Support) of the new system that are ready for operation within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: no deviation.

f) Standard: The Contractor shall convert and deliver these functions including EVARS (See Specific Task 5.3 EVARS) and ECLASS (See Specific Task 5.4 ECLASS) of the new system that are ready for operation within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred and fifty (150) calendar days from the effective date of the contract.

Deliverables
A008 Conversion

5.1.2 Phase Two

Phase Two begins one hundred and twenty-one (121) calendar days from the ward date of the contract and continues for another thirty (30) calendar days.

5.1.2.1 Complete Infrastructure

The Contractor shall notify the GTR, in writing, that the Contractor has adequate facilities, staff, subcontract support, equipment and supplies to perform all of the tasks required under the PWS and shall provide a final list of key staff, office locations, addresses, phone numbers and emergency contact information to the GTR not later than sixty (60) calendar days from the effective date of the contract.

Performance Standards
a) Standard: The Contractor shall provide complete infrastructure within sixty (60) calendar days from the effective date of the contract.

AQL: within seventy-five (75) calendar days from the effective date of the contract

5.1.2.2 Fully Operational and Training of the New System

The Contractor shall be fully operational at one hundred and twenty-one (121) calendar days from the effective date of the contract, unless otherwise notified by the Contracting Officer.

During the transition period, training on the new websites and systems shall run concurrently with other transition activities. The Contractor shall provide assistance to obtain a technical understanding, business rudiments and functionality of the new system from the existing environment and any other area of concern. The Contractor shall provide the first formal training at one hundred and twenty-one (121) calendar day from the effective date of the contract. The training location shall be approved by the GTR.

Performance Standards
a) Standard: All BSP functions shall be fully operational at one hundred fifty-one (151) calendar days from the effective date of the contract

AQL: no deviation

b) Standard: The Contractor shall provide the first formal training at one hundred and twenty-one (121) calendar day from the effective date of the contract.

AQL: no deviation

Deliverables
A009 Training of the New System (Formal Training – Training during Transition)

5.1.2.3 Contract Performance

Not later than thirty (30) calendar days from the effective date of the contract, the Contractor shall begin performing all requirements set forth in this PWS.

Performance Standards
a) Standard: Contractor's performance is measured based on deliverables specified in the PWS requirements.

AQL: Contractor shall comply with the PWS requirements.

5.1.3 Management Work Plan (MPW)

The Contractor shall provide CO and GTR with a specific written Management Work Plan (MWP) for all tasks specified in this contract not later than thirty (30) calendar days from the effective date of the contract. The MWP shall include a detailed allocation of contract resources and time scheduled for accomplishment of the tasks and the deliverables to be provided. The MWP shall be revised as circumstances dictate, to reflect approved changes during the progress of the contract.

The MWP, at a minimum, shall include a detailed allocation of contract resources and time scheduled to accomplish the tasks along with the deliverables to be provided. The MWP shall include a detailed work flow chart reflecting the process and steps the assigned cases would follow which clearly reflect the Contractor's strategy for: I) timely completion of case assignments; 2) how work deadlines will be met including how adjustments in staffing and workload will be made when there are fluctuating levels of case assignments; and 3) how the portfolio of assets will be serviced (including names of staff in key assignments).

Performance Standards
a) Standard: The Contractor shall provide MWP thirty (30) calendar days from the effective date of the contract.

AQL: within five (5) business days of approved change/extension

Deliverables
A010 Management Work Plan (MWP)

5.1.4 Systems Security

The contractor shall establish, document, and maintain technical and procedural protections for system security in accordance with NIST 800.53 REV4 or current version. The contractor shall complete a System Security Plan, an Independent System Test and Evaluation (ST&E), a Security Controls and Assessment Report (SCAR), a Disaster Recovery Plan, and Disaster Recovery Test Plan Reports. The contractor shall maintain and execute a Plan of Action and Milestones to correct deficiencies identified in the ST&E and SCAR. The System Security Plan and Disaster Recovery Plan must be submitted to the GTR not later than thirty (30) days from the effective date of the contract and updates provided not later than five (5) business days of any change. System Tests and Reports must be submitted not later than five (5) business days from request.

- **SSAE 16 Audit-**The contractor shall engage an independent auditor to report annually on the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the control description specifically relating to this contract. HUD's Contracting Officer, for this contract, will approve the contractor's selection of an independent public accounting firm to perform the audit. The auditor's report shall conform to the Statement on Standards for Attestation Engagements No. 16 (SSAE 16) Reporting on Controls at a Service Organization published by the American Institute of Certified Public Accountants (AICPA). The auditors shall conduct a Service Organization Controls (SOC) 1, Type 2 SSAE 16 audit. The contractor shall provide the auditor with access to all systems, facilities; information and people required perform the audit. The control objectives of the audit shall be at a minimum, equivalent to those required under the General Accounting Office Federal Information Systems Computer Audit Manual (FISCAM) for performing all work. The procedures and report shall meet the FISCAM requirements and shall include application systems testing. Each review shall follow guidance provided by GAO's FISCAM Manual and include a corrective action plan. The control objectives shall also include controls affecting cash collections and disbursements; controls affecting the acquisition, servicing, and disposition of Single Family notes, and other HUD first and second mortgage notes. A final audit will be performed at or as of contract expiration in the year in which the contract expires. The contractor shall review the report, respond to each finding, and identify its proposed corrective actions. The contractor's response shall be received by the GTR/GTM within twenty (20) days after the contractor receives a copy of the audit report. The auditor's annual reports shall cover operations from effective date of full servicing capacity through June 30, 2017 for the first year. The report will cover from July 1, 2017 to June 30, 2018, and annually thereafter. The draft report must be delivered to HUD's GTR by August 20 each year respectively, and the final report by September 15th respectively each year.
- **Certification and Accreditation (C&A) -** The contractor shall engage an independent auditor to perform a security test and evaluation (ST&E) on SMART (A80H) which is operated by the Loan Servicing Contractor for the Office of Single Family Asset Management, Servicing and Loss Mitigation Division. The ST&E is to be performed by an independent assessment team and shall be conducted in accordance with Office of Management and Budget Circular A-130, Appendix III, Security of Federal Automated Information Resources and Department of Housing and Urban Development policy and guidance on accreditation. The purpose of the ST&E is to demonstrate,

through selected verification techniques and verification procedures that necessary security controls are identified in the SMART Security Plan and are implemented correctly; meets minimum security requirements; are effective in their application; and that the controls adequately mitigate risks described in the SMART Risk Assessment. The certification effort will provide the Designated Approving Authority with important information necessary to make an informed, risk-based decision regarding the operation of SMART. HUD's Contracting Officer, for this contract, will approve the contractor's selection of an independent firm to perform the assessment. The C&A should be performed independently in compliance with the following standards:

a) Federal Information Security Management Act (FISMA) policies and procedures

b) National Institute of Standards & Technology (NIST) current guidance NIST 800.53 RV4 or later policies and procedures

- NIST- Special Publication -800-series and Federal Information Processing Standards (FIPS)

c) HUD Information Technology Security Policies & Procedures HUD Handbook 2400 (latest version)

d) Any guidance in security for Business Service Organizations

The audit report and Risk Assessment shall be submitted to the Contractor, GTR and CO. The Contractor shall review the report, respond to each Plan of Action and Milestones, if applicable, and respond to the proposed corrective measures that are necessary to reduce or eliminate the stated vulnerabilities in system controls. The contractor's response shall be received by the GTR/GTM within twenty (20) days after the Contractor receives a copy of the audit report.

The Contractor shall be notified upon the effective date of the contract as to the date for the first assessment and schedule. The assessment will be required every 2 years following the initial report.

Performance Standards

a) Standard: The Contractor shall submit the SSP and Disaster Recovery Plan within thirty (30) calendar days from the effective date of the contract and updates provided not later than five (5) business days of any change.

AQL: within forty-five (45) calendar days from the effective date of the contract.

b) Standard: System Tests and Reports must be submitted not later than five (5) business days from request.

AQL: within seven (7) business days from request.

Deliverables

A011 System Security Plan (SSP)

A012 Independent System Test and Evaluation (ST&E)

A013 Plan of Action and Milestones
A014 Audit Report
A015 Disaster Recovery Plan
A016 Disaster Recovery Test Plan
A017 Security Controls and Assessment Report (SCAR)
A018 Risk Assessment
A019 SSAE 16 Audit
A020 Review of Business Process Controls
A021 Certification and Accreditation (C&A)
A022 Internal Controls Assessment

5.1.5 Continuity of Operations Plan (COOP)

The Contractor shall provide to the CO and GTR a specific written COOP for all services specified in this Contract not later than thirty (30) calendar days from the effective date of the contract. The COOP shall be designed and implemented to result in all services required under this contract being continued without interruption in the case of an emergency or crisis requiring relocation of the Contractor's office and other resources.

The COOP, at a minimum, shall include a detailed listing of contract services, alternative resources, processes and steps to immediately relocate the office, other resources, and any other pertinent information needing consideration.

Performance Standards
a) Standard: The Contractor shall provide a specific written COOP within thirty (30) calendar days from the effective date of the contract.

AQL: within forty (45) calendar days from the effective date of the contract.

Deliverables
A023 COOP

5.1.6 Quality Control Plan

The Contractor shall develop, maintain, enforce, and document a Quality Control Plan (QCP). The QCP shall ensure the Government receives the level of quality that is consistent with the requirements specified in this contract. The QCP shall be sufficiently detailed to provide the Contractor's methodology for identifying and recruiting qualified personnel. The QCP shall also provide the Contractor's methodology for resolving problems identified by the Government during reviews conducted in accordance with its Quality Assurance Surveillance Plan (QASP). The QCP shall also provide the Contractor's methodology for establishing an internal feedback system for support personnel, and for resolving problems identified by that feedback system. The QCP shall demonstrate and validate that the services or deliverables to be provided under the contract are completed with a level of quality that meets the minimum performance threshold established in the Government's QASP. The QCP shall address Quality Management Approach, Quality Assurance, Quality Control and Quality Standards.

The Contractor shall provide the CO and GTR with a specific written QCP for all tasks specified in this contract not later than ten (10) calendar days after the post award conference. The QCP shall be designed and implemented to result in quality and timely contract performance to prevent, detect, and correct any deficiencies in contract performance with little or no need for government intervention. The QCP shall be revised as circumstances dictate, to reflect necessary changes during the progress of the contract.

The QCP shall include a detailed inspection oversight program covering all general and specific tasks; specify tasks or areas to be inspected on either a scheduled or unscheduled basis including the manner in which inspection is to be conducted; a description of the techniques to be employed for producing and validating services and deliverables that conform to the acceptable quality standards in the contract; a description of the "checks and balances" that shall be used to ensure an acceptable level of quality; provisions for responding to technical directions and comments; and provisions that will be used to prevent and eliminate the potential for fraud, waste and abuse of HUD funds or other funds and resources received in the performance of this contract.

The Contractor shall provide the CO and GTR with a specific written QCP for all tasks specified in this contract not later than ten (10) calendar days after the post award conference.

- **Quality Assurance Group -** The Contractor shall institute a Quality Assurance (QA) group and schedule quarterly meetings, comprised of stakeholders, for SMART, EVARS, and ECLASS that governs and tracks new compliance issues. The stakeholders shall consist of the Contract Manager, IT Manager, GTR, GTM, and other designated members as approved by the GTR. The Quality Assurance Group shall meet once a quarter to discuss any system or service provider issues and any development that may be necessary to improve system performance.
- **Data Verification -** The Contractor shall regularly verify data discrepancies in SMART, HERMIT, or any replacement system, with SAMS, SFIS, SFISnet and FHAC. Any irresolvable cases shall be referred to the GTR for further instructions.

Performance Standards

a) Standard: The Contractor shall provide QCP within ten (10) calendar days after the post award conference.

AQL: within twenty (20) calendar days after the post award conference.

Deliverables

A024 Quality Control Plan (QCP)

5.1.6.1 Performance Report and Debriefing

HUD will debrief the Contractor after each review. When quality assurance reviews indicate defective performance, the GTR or GTM will provide the Contractor a written detailed description of the observations and will request the Contract Manager to respond to the observation, in writing, not later than thirty (30) calendar days from receipt. If the Contractor agrees with the observation and the GTR determines corrective action is required, the Contractor shall comply with the requirements of the specific task.

Deliverables

A025 Performance Report and Debriefing

5.1.6.2 Corrective Actions

The Contractor will, no later than five (5) business days following receipt of HUDs notice of defective performance, respond in writing to the CO and GTR to this request, describing the corrective actions taken, or to be taken, and when any outstanding corrective actions will be completed.

Deliverables
A026 Corrective Actions

5.1.6.3 Status Meetings

The Contracting Officer, Government Technical Representative (GTR) and other Government personnel, as appropriate may meet periodically with the Contractor to also review Contractor performance, requirement status, etc. At these meetings, the Contracting Officer will apprise the Contractor of how the Government views the Contractor's performance or progress of the requirement. The Contractor will apprise the Government of problems, if any, being experienced. Appropriate action shall be taken to resolve outstanding issues. These meetings shall be at no additional cost to the Government. Post Award Conference and subsequent meetings may be held via teleconference.

The Contract Manager or alternate may be required to attend face-to-face open issue meetings on a monthly basis, or more frequently if required by the GTR. This meeting may be held more frequently if required by the contracting officer. The Contractor shall schedule and coordinate at least one monthly conference call with the GTR and other designated staff; however, additional meetings may occur as requested by the GTR or Contractor. The Contractor shall submit a meeting agenda to the GTR, GTMs, and CO at least (2) two business days prior to the scheduled meeting. The Contractor shall assume responsibility for recording the action items of the meeting and provide a copy to the GTR within two (2) business days following the meeting. Any concerns or issues with the meeting minutes shall be resolved between the GTR and Contractor.

Deliverables
A027 Status Meetings

5.1.6.4 Monthly Accomplishment Reports and Quarterly Progress Reports

The Contractor shall provide monthly progress/status reports quarterly, or for special projects, at a timeline determined by the GTR. Monthly accomplishment reports shall be provided by the fifth business day of each month to the GTR; the report shall outline the accomplishments achieved during the previous time period. At a minimum, the reports shall contain:

- Accomplishments for the time period
- Requirements in progress

Performance Standards
a) Standard: The Contractor shall provide monthly progress report by the fifth (5th) business day of each month.

AQL: by the seventh (7th) business day of each month.

Deliverables
A028 Monthly Progress Report
A029 Quarterly Progress Report (for special project)

5.1.6.5 Quality Control Reviews and Summary Report

The Contractor will conduct both monthly quality control certifications and quarterly quality control reviews in accordance with the accepted QC plan. The monthly quality control certification shall provide the government with notification of differences in data counts or percentages as compared to the previous month's reporting. The Contractor will establish a folder in the BSP web site where quarterly Quality Control Review Reports shall be posted. Upon request by the CO or GTR, the Contractor shall provide detailed result of QC actions.

Deliverables
A030 Quality Control Reviews and Summary Report

5.1.6.6 Quarterly Review

A quarterly performance meeting shall be held with the GTR, GTM, Contracting Officer and HUD Management personnel. The contractor is permitted to provide a self-evaluation of its performance for the evaluation period. The contractor shall provide a self-evaluation to the GTR not later than ten (10) calendar days after the end of each calendar quarter.

Performance Standards
a) Standard: The contractor shall provide a self-evaluation to the GTR not later than ten (10) calendar days after the end of each calendar quarter.

AQL: not later than fifteen (15) calendar days after the end of each calendar quarter.

Deliverables
A031 Contractor Quarterly Self-Evaluation Performance

5.1.6.7 Executive Summary

The Contractor shall provide an executive summary thirty (30) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter. This paper shall synopsize all the accomplishments and highlights of the year, plus obstacles, resolutions, or recommendations to resolve in future efforts. In addition, a Memorandum by the Assistant Secretary Accepting the System for Operation and Memorandum of Understanding (MOU) or Equivalent shall be submitted.

Performance Standards
a) Standard: The contractor shall provide an executive summary thirty (30) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter.

AQL: twenty (20) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter.

Deliverables
A032 Executive Summary
A033 Memorandum by the Assistant Secretary Accepting the System for Operation
A034 Memorandum of Understanding (MOU) or Equivalent

5.2 Single Family Mortgage Asset Recovery Technology (SMART)

The BPS shall provide a specialized servicing platform known as the Single Family Mortgage Asset Recovery Technology (SMART) that will be utilized to service and track servicing activities the Secretary Held portfolio excluding Reverse or HECM Mortgages and monitor contractor performance. Additionally, HUD's Contractor interfaces with external and a number of HUD information management systems. The system will use state-of the art technology and an operational architecture consistent with HUDs existing and planned standard enterprise architecture (EA) infrastructure. The underlying system architecture (e.g., client-server, thin/rich client, etc.) must adhere to HUDs Office of the Chief Information Officer and Office of Information Technology principles. Rules-based interfaces shall be used to facilitate seamless, event-driven transactions (e.g., via XML or JMS messaging). Interfaces will be automated and managed via a middleware component so that duplicate data entry is eliminated and interface code and configuration will be reusable and repeatable, and that the synchronization of data exchanges across the involved systems will be preserved. To ensure increased availability and uptime of applications, contractor shall ensure that the development and production sites operate independently of each other. Security of the system shall be in accordance with HUD standards.

Performance Standards
a) Standard: The Contractor shall comply with HUDs EA information.

AQL: 100% Compliant with all applicable regulations.

b) Standard: - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure.

AQL: No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.

Deliverables
A035 Single Family Mortgage Asset Recovery Technology (SMART)

5.2.1 The Contractor provides service and track servicing activities the Secretary Held portfolio excluding Reverse or HECM Mortgages and monitor contractor performance.

The Contractor shall perform comprehensive loan servicing activities according to mortgage industry loan servicing standards as well as meet the specific needs of the Department and its customers. The Contractor shall utilize industry standard tools, manual preparation and/or interfaces with HUDs business service providers in performing the requirements of this PWS. In the event that any interface is not operational, it is the Contractors responsibility to utilize other available resources as the requirements must still be met. Loan servicing activities include those financial and non-financial actions necessary to make sure that the portfolio of loans are managed and serviced in accordance with all applicable governing laws and in accordance with departmental policies, procedures and regulations.

Performance Standards
a) Standard: weekly and monthly reports

AQL: 100% Compliant with all applicable regulations.

5.2.2 The Contractor shall provide storage capacity to store and maintain electronic of servicing files. The electronic files must include scanned, computerized notes documenting all servicing actions relating to the loan (loan history), electronically imaged copies of all documents generated by or relating to any servicing actions, and electronically imaged copies of all correspondence sent or received relating to the loan.

5.2.3 All files and data shall remain the property of HUD. All electronic files shall be accessible to HUD users according to the system defined user profiles. The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems.

5.2.4 The Contractor shall provide an automated business processes and capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.

5.2.5 The Contractor shall provide a system where users may access SMART over a LAN or remotely through a Cloud computing environment.

Performance Standards
a) Standard: SMART system can be access through a secure FedRAMP.

AQL: 100% Compliant with all applicable regulations.

5.2.6 The Contractor shall provide Internal Quality Control including designing, testing, and executing internal control processes, procedures, tracking mechanisms and performing reviews FHA-insured portfolios.

Performance Standards
a) Standard: The Contractor shall comply with HUD guidelines and regulations

AQL: 100% Compliant with all applicable regulations.

5.3 Extensions and Variances Automated Requests System (EVARS)

Extensions and Variances Automated Requests System (EVARS) to provide FHA lenders an interactive automate process available through the Internet that gives approved FHA lenders real-time opportunity for automated request, review, approval and/or denial of extensions and variances related to various loan programs.

Performance Standards
a) Standard: - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure.

AQL: 100% Compliant with all applicable regulations.

Deliverables
A036 Extensions and Variances Automated Requests System (EVARS)

5.3.1 The Contractor shall develop a rule-based event-driven system to provide an automated process to allow lender to submit requests, review, or appeal of approval and rejection of extensions and variances related to various loan programs.

Performance Standards
a) Standard: EVARS system is compatible with industry standard and compliant with HUD's IT guideline

AQL: 100% Compliant with applicable regulations

b) Standard: The Contractor shall provide web-based and rule-based services.

AQL: 100% Compliant with applicable regulations

5.3.2 The Contractor shall provide a real-time web-based application which allows lenders to access via a secured World Wide Web from any device to complete and submit forms to HUD for extensions and variances.

Performance Standards
a) Standard: The Contractor shall utilize web-based and rule-based technology that meets HUD's IT requirements to create EVARS application.

AQL: 100% Compliant with applicable regulations

5.3.3 The Contractor shall provide a capability to gather information needed for an extension of time or variance where the system is unable to make a determination and routed to appropriate HUD staff for review.

5.3.4 The Contractor shall provide a capability for interface with internal HUD systems or any external systems specified by the GTR. The Contractor shall provide equipment and software that meet HUD's minimum system requirements.

5.3.5 The Contractor shall provide a methodology to allow lenders to submit a file for extensions and variance requests. The Contractor shall process and upload a response file to the requested lender. The Contractor shall provide a capability to systematically verify and validate the submission and response files using EVARS and/or HUD databases.

Performance Standards
a) Standard: The Contractor shall verify and validate submitted file against EVARS/HUD database

AQL: no deviation

Deliverables
A037 Submission File for Extension Requests
A038 Submission File for Variance Requests
A039 Response File(s)

5.3.6 The Contractor shall provide capability to upload, export, report, notification, alert and email from EVARS system.

Performance Standards
a) Standard: The Contractor shall comply with Section 508.

AQL: 100% Compliant with applicable regulations

b) Standard: EVARS systems should be standardized with industry standard and compliant with HUD's IT guideline

AQL: 100% Compliant with applicable regulations

5.3.7 The Contractor shall maintain all features of the website insuring functionality, reliability, efficiency, and integrity of the structure.

Performance Standards
a) Standard: The Contractor shall comply with Section 508.

AQL: 100% Compliant with applicable regulations

5.4 Electronic Courses on Loss Mitigation and Servicing System (ECLASS)

Electronic Courses on Loss Mitigation and Servicing System (ECLASS) to provide online training to FHA lenders, housing counseling agencies, HUD and other non-profit organizations with web-based Servicing and Loss Mitigation training and notifications to various related conferences.

Performance Standards
a) Standard: - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure.

AQL: 100% Compliant with applicable regulations

Deliverables
A040 Electronic Courses on Loss Mitigation and Servicing System (ECLASS)

5.4.1 The Contractor shall provide FHA lenders, housing counseling agencies, HUD and other non-profit organizations a web-based interactive Servicing and Loss Mitigation training and notifications to various related conferences.

Performance Standards
a) Standard: Online ECLASS training is compatible with industry standard.

AQL: 100% Compliant with applicable regulations

5.4.2 The Contractor shall provide the instructors with the ability to record class attendance and test results online.

5.4.3 The Contractor shall provide a real-time registration, tracking online attendance, status and progress of each class/module, keeping grades, certificate of completion.

5.4.4 The Contractor shall provide an interactive, visual online training class and also flexibility to allow students schedule their training at anytime, anywhere on any device.

5.5 Accounting - Financial Functions

The BSP is required to support other accounting and financial functions, business processes, reporting mechanisms and provide capability to perform comprehensive analysis to ensure proper financial activities documented and identified. The Contractor shall ensure complete documentation of all collections, disbursements and other accounting related functions. All information relative to these and other accounting transactions shall be readily accessible and filed in the loan level servicing file. All accounting files shall be the property of HUD and available to HUD upon demand during the Contractor's expressed/regular business hours. The data files shall be forwarded to the identified transaction file repository on a daily basis to be processed and loaded to the General Ledger ("FHASL).

Deliverables
A041 Federal Credit Reform Act and the US Standard General Ledger Accounting Transaction Format
A042 Accounting and Financial Function/Module

5.5.1 Manage the operations of financial activities - The Contractor shall provide a capability to manage the operations of financial activities a monthly basis to properly account for the Single Family secretary-held cases in inventory:

The Contractor shall provide a capability to manage the operations of financial activities a monthly basis to properly account for the Single Family secretary-held cases in inventory:

5.5.1.1. Maintain Accounting of Case Inventory

5.5.1.2. Establish an Aged Accounts Receivable

5.2.1.3. Receive, Reconcile, and Post Collections (Accounts Receivable)

5.5.1.4. Prepare, Reconcile, and Post Disbursements (Accounts Payable)

5.5.1.5. Maintain Trial Balance

5.5.1.6. Produce Subsidiary reports to support control totals sent to the General Ledger (FHASL)

5.5.1.7. Provide daily, monthly, quarterly, year-to-date (YTD), and year-end reconciliations

5.5.2 The Contractor shall provide the capability to prepare proper and accurate proprietary and budgetary accounting transactions

5.5.2.1 The Contractor shall provide the capability to record transactions in conformity with accounting principles generally accepted in the United States of America applicable to Federal agencies (Fergal) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), adhere to Federal government accounting guidance issued by the Office of Management and Budget and ensure that all

accounting transactions comply with the Office of Management and Budget's (OMB) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), OMB Circular A-123 Self-Assessment and OMB Circular A-127 Revised, Financial Management Systems.

Performance Standards
a) Standard: The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems.

AQL: 100% Compliant with applicable regulations

Deliverables
A043 Financial Management System Assessment - A-127 Self-Assessment
A044 OMB Circular A-127 Revised, Financial Management Systems
A045 OMB Circular A-123 Self-Assessment

5.5.2.2 The Contractor shall provide the capability to use FHA-approved Posting Models to record all transactions including disbursement (accounts payable) and collection (accounts receivable) transactions. The FHA has approved posting models and will provide the most recent at the end of each fiscal quarter. The accounting GTM will notify the Contractor of any subsequent changes to FHA's approved Posting Models within five business days of the change.

5.5.2.3 The Contractor shall provide the capability to record all accounting transactions according to FHA's implementation of the Federal Credit Reform Act and the US Standard General Ledger.

Performance Standards
a) Standard: The Contractor shall record all accounting transactions according to FHAs implementation of the Federal Credit Reform Act and the US Standard General Ledger.

AQL: No deviation.

5.5.2.3.1 The Contractor shall provide the capability to create entries by fund, risk category/section of the act, cohort year, etc. for each accounting area identified above.

5.5.2.3.2 The Contractor shall provide the ability to add additional funds, fund attributes, risk categories, etc. as mandated by future legislation and/or policy changes.

5.5.2.4 The Contractor shall provide the capability to develop and deliver accounting standards to:

5.5.2.4.1. Capture, validate, correct, analyze, update, research, reconcile, and record all accounting events and transactions at the case and summary levels.

5.5.2.4.2. Maintain case level inventory for case establishments, pay-offs, terminations, cancellations, foreclosed properties, and repurchases.

5.5.2.4.3. Prepare daily disbursement file and send to Treasury for payment and the FHASL.

5.5.2.4.4. Process daily collection file including NSF transactions from Treasury and apply

collections at the case level

5.5.2.4.5. Process daily collection reports for FHA Accounting

5.5.2.4.6. Process daily disbursement report for FHA Accounting

5.5.2.4.7. Produce trial balance accounting reports to support all balances for accounts receivable and accounts payable

5.5.2.4.8. Record and post all journals monthly to the FHASL using the correct FHASL chart fields (Fund, Program code, Cohort, Vendor Category, Accounting area, Activity type, etc.)

5.5.2.4.9. Produce and transmit daily and monthly transaction files to the FHASL

5.5.2.4.10. Produce General Ledger Trial Balance report with monthly, quarterly, Year-to-Date, and cumulative totals

5.5.2.4.11. Provide case level detail to support accounts receivable and accounts payable balances.

Performance Standards
a) Standard: The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems.

AQL: No deviation

5.5.2.5 The Contractor shall provide a capability to create roll forward account balances from the end of one fiscal year to establish beginning account balances for the new fiscal year.

5.5.3 Interface transaction data files - The Contractor shall produce the transaction data file that will be interfaced into the Federal Housing Administration Subsidiary Ledger (FHASL) on a daily basis.

Performance Standards
a) Standard: The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems.

AQL: No deviation.

Deliverables
A046 Data & File(s) Transfer

5.5.3.1 The Contractor shall use the FHA-approved interface file formats when creating interface files with the FHASL. The accounting GTM will notify the Contractor of any subsequent changes to FHA's approved file formats within five business days of the change.

5.5.3.2 The Contractor shall verify that its interface files are compatible with the data elements referred to as chart fields – used by the FHASL—in all accounting ledgers as necessary

5.5.3.3 The Contractor shall validate and report successful loading of interface files. In the event of unsuccessful loading of any interface file, the Contractor shall provide an automated failed interface report with specific error details for review by the Government. The Contractor shall then be required to resolve all interface loading errors within one business day.

5.5.4 The Contractor shall create and/or modify various trial balance reports based on client needs per Treasury requirements - The Contractor shall create, maintain and/or modify trial balance reports within the subsidiary system

5.5.5 Maintain subsidiary system crosswalk - The Contractor shall update the subsidiary system's crosswalk, as needed, by accounting area posting model(s), under the direction of the accounting GTM when requested by the General Ledger Division. Updates are required to maintain accurate posting of the FHASL file. The accounting GTM will provide most recent version of crosswalk and posting models at contract effective date.

5.5.6 The Contractor shall provide quality assurance processes of the accounting functions.

5.5.6.1 The Contractor shall generate month-end closing procedures to summarize all accounting transactions and transmit these transactions to the FHASL.

5.5.6.2 The Contractor shall close Accounting Period financial transactions in the Contractor's business services General Ledger, and update the FHA General Ledger (FHASL).

5.5.6.3 The Contractor shall validate transaction detail report activity against transaction data file activity prior to interface

5.5.6.4 The Contractor shall provide the capability to validate transaction detail report activity against trial balance reports daily

5.6 Customer Support

Customer Service is a high priority and critical to the successful performance and support of system functions. The NSC is seeking to obtain professional customer service support to provide customer service, technical assistance, and assistance to a wide variety of incoming inquiries from lenders in a consultative manner to appropriately route calls to the proper areas, specifically in the area of Loss Mitigation and Servicing issues and support services to HUD's National Servicing Center.

The Contractor shall ensure that all contacts with the public and HUD employees promote HUD's objectives under this PWS, encourage participation by industry professionals and mortgagors that will result in a high level of customer satisfaction.

The Contractor shall develop different areas of customer support to appropriately address each business and technical function of the BSP.

Performance Standards
a) Standard: The Contractor shall develop, specify and maintain different categories to appropriately address each business and technical functions of BSP including SMART/EVARS and ECLASS.

AQL: No deviation.

Deliverables
A047 Customer Support Module

5.6.1 Customer Support Helpdesk

The Contractor shall develop and manage a customer support email box to address customer service needs such as site issues, reports and servicers requests, usage and instruction and as a receipt for ad hoc report development. The customer help desk phone number and email systems shall be operational within one hundred fifty (150) calendar days from the effective date of the contract and available during normal business hours seven (7) a.m. to seven (7) p.m. in geographical time zone in which the business office is located. Within ninety (90) calendar days from the effective date of the contract, the Contractor shall develop a methodology for review and approval by the GTR with the process to prioritize and address requests for assistance or issues, including but not limited to the following examples:

- password resets;
- navigation and use of the websites;
- basic development or enhancement of reports.

Further, the Contractor shall provide an email box for users to submit requests, documents, questions and inquiries regarding the website content or to facilitate user understanding. The Contractor shall provide responses to the phone and email inquiries no later than 24-48 hours of receipt.
The Contractor shall provide a physical address for lenders to submit legal documents if required.

Performance Standards
a) Standard: The customer help desk phone number and email systems shall be operational within one hundred fifty (150) calendar days from contract the effective date of the contract and available during normal business hours seven (7) a.m. to seven (7) p.m. in geographical time zone

AQL: no deviation

Deliverables
A048 Customer Support Helpdesk

5.6.2 Response Time

The Contractor shall receive and respond to inquiries from customers received during established operating hours. All calls shall be routed to a Customer Service Representative within one (1) minute of the caller's choice to do so. All calls received outside of normal business hours shall be returned not later than 12 noon the next business day. The Contractor shall not manipulate the call numbers (e.g., placing calls to the customer service center, placing callers on hold after answering the call, forcing callers to

voice mail once in the queue or other means) or the volume reported or percentages to skew the data. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

Performance Standards
a) Standard: The average wait time for all callers who choose to speak to a Customer Service Representative shall be no more than one (1) minute for 75% of all calls received for the quarter.

AQL: The wait time for all calls is no more than one (1) minute for 75% of all calls received for the quarter.

5.6.2.1 Customer Inquiries

The Contractor shall provide prompt, courteous and accurate response to all inquiries regarding requests for loan information in general. The Contractor shall respond to telephone inquiries not later than 12 noon or one (1) business day of the date the call was placed to the Contractor's office or the expiration of such shorter or longer period as expressly authorized or required by this PWS. The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of the inquiry or the expiration of such shorter or longer period of time expressly authorized or required by this PWS. This applies to all areas of service areas in the contract and is not just related to Customer Service.

Performance Standards
a) Standard: The Contractor shall respond to telephone inquiries not later than 12 noon or one (1) business day of the date the call was placed to the Contractor's office.

AQL: No deviation.

b) Standard: The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of the inquiry.

AQL: No deviation.

5.6.2.2 Governmental Inquiries

The Contractor shall notify the GTR not later than twenty-four (24) hours following receipt of any request for information from an elected or public official and shall, not later than two (2) business days of said request, provide written information to assist HUD in preparing a response.

Performance Standards
a) Standard: The Contractor shall notify the GTR not later than twenty-four (24) hours following receipt of any request for information from an elected or public official. and shall, not later than two (2) business days of said request, provide written information to assist HUD in preparing a response.

AQL: No deviation.

5.6.3 The Contractor shall search databases for customer information, prior calls, and related issues; and provide appropriate assistance to the Customer. The Contractor shall escalate the call either warm or cold transfer to the appropriate HUD office if the Contractor determines HUD expertise is required to

complete the call. When a call is transferred, the Contractor shall remain on the line until the connection to the transfer is completed. The Contractor shall document all calls for reporting and auditing purposes.

The Contractor shall not transfer more than 20% of all calls.

Performance Standards
a) Standard: The Contractor shall not transfer more than 20% of all calls.

AQL: No deviation.

5.6.4 The Contractor shall gather basic information such as caller demographics, document the purpose of the call before transferring the call to NSC.

5.6.5 The Contractor shall log all calls received and electronic messages forwarded from the National Servicing Center to the contractor's Customer Support as a separate call for each classified categories of the BSP.

5.6.6 The Contractor shall provide capability to track all inbound and outbound calls and document correspondences.

5.6.7 The Contractor shall provide written procedures and Help Desk Procedures and Frequently Asked Questions (FAQ) to assist all inbound inquires.

Deliverables
A049 Help Desk Procedure and FAQ

5.7 Production Environment

The Contractor shall provide a production environment that ensures the current business rules for each function within the PWS for the National Servicing Center are maintained on a monthly basis.

Deliverables
A050 Production Environment

5.7.1 Audit Logs

The Contractor shall create and provide storage capability to track and log all activity of relating any electronic files for each function of the PWS.

Performance Standards
a) Standard: The Contractor shall create storage capacity and audit log.

AQL: no deviation

Deliverables
A051 Audit Logs

5.7.1.1 Web Sites/Server Availability

The Contractor shall provide the content and services of the web site available for https access by HUD and all customers. For the purposes of this contract, a "downtime failure exists when any of the data records/reports/studies are not available for access/retrieval on the website during the core hours for a period of two (2) hours per incident. The Contractor should employ the necessary equipment, staff or the use of a third party vendor to monitor the web server and all associated systems. Downtime is measured from the time the web service is unavailable or known to be unavailable to the time the service is able to function or known to be functioning at an acceptable operating level.

The Contractor will actively monitor the availability of website and the availability of the physical servers required to supply data to the web server in a manner consistent with current acceptable industry practice. Any corrective actions required to remediate web site/server issues shall be the responsibility of the Contractor. Any problem not available for immediate correction shall automatically be escalated to the Contractor technical support representatives. Downtime should be logged as the point of declared non-operational and the total elapsed duration of server outage will be calculated in the total downtime of the website.

Performance Standards

a) Standard: The Contractor shall comply with HUDs EA information.

AQL: 100% Compliant with applicable regulations

b) Standard: - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure.

AQL: No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.

5.7.1.2 Web Reliability

The Contractor shall maintain all features of the websites insuring functionality, usability, consistency, stability, accessibility, reliability, efficiency, and integrity of the structure. The websites should be fully functional during daily/weekly/monthly refresh. Should there be a failure of the administrative functions of the websites, written notice shall be provided to the GTR/GTM during the same business day. Resolution shall be made within 24 hours from the point that the Contractor detected or was notified of the problem and written notification shall be provided to the GTR. If the problem cannot be reasonably resolved within the structured timeframe, the Contractor shall notify the GTR in writing with justification and an estimate of time to resolve. Following GTR approval, the Contractor shall place a message on the website to inform users of the issue.

Performance Standards

a) Standard: - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure.

AQL: No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.

b) Standard: The Contractor shall comply with HUDs EA information.

AQL: 100% Compliant with applicable regulations

5.7.1.3 Scheduled or Routine Maintenance

To ensure ongoing and optimal performance of the website and dedicated servers, the Contractor shall perform routine maintenance on the live web servers on a scheduled basis. The Contractor shall perform these actions during approved time schedule from the GTR and it is not to exceed two (2) total hours of server unavailability per month for maintenance. Additionally, the contractor shall provide biannual maintenance of the system, to ensure that the sites and all functions therein continue to function optimally. The system maintenance shall not occur prior to hundred eighty (180) calendar days from the effective date of the contract.

Performance Standards
a) Standard: The Contractor shall perform scheduled maintenance not to exceed two (2) total hours of server unavailability per month.

AQL: No deviation.

5.7.1.4 Web Enhancements

At the direction and approval of the GTR or GTM, the Contractor shall improve and enhance the visual appeal and aesthetics of the websites. The Contractor shall provide web enhancements and/or application upgrade based on direction from the GTR or designee, based on user comments, functionality requests, or simulation of current HUD systems. The enhancements will be limited to no more than four (4) per year, unless required to properly address website functionality, usability or accessibility.

The Contractor shall explain improvements and enhancements to the website in writing to the GTR; and include summary documentation in the Progress Report. All upgrades, programming, and/or mapping information shall be included in the Technical Manual, Source Code and any applicable system documentation including user manuals.

5.7.2 Data Transfer and System Interface

5.7.2.1 Data Transfer

The Contractor shall transfer the data from all business service providers and/or systems according to HUD's approved IT policies and procedures on data transfer protocol. Any such data transfer shall be coordinated with HUD to ensure adequate safeguards are taken to protect HUD's system integrity. Transfer may take place as frequently as needed, but no less frequently than monthly, on the last working day of the month. The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems that is no older than 7 days. At HUD's discretion the backup data will be activated if access to the data via the primary contractor is disrupted. The Contractor shall demonstrate such capability at least monthly. The Contractor shall be responsible for contacting, establishing and funding for this capability with a designated HUD vendor to place a copy of its data at the HUD vendor's site

The production data shall be updated daily/weekly/monthly as directed by the GTR/GTM. The Contractor shall receive and process the data from Single Family Data Warehouse (SFEDW), other HUD

systems, other business service providers and/or external systems according to HUD's approved IT policies and procedures on data transfer protocol. Any such data transfer shall be coordinated with HUD to ensure adequate safeguards are taken to protect HUD's system integrity. Transfer may take place as frequently as needed, but no less frequently than monthly, on the last working day of the month.

Performance Standards
a) Standard: The Contractor shall extract, receive, process, and generate production data within forty-five (45) calendar days from the effective date of the contract.

AQL: within sixty (60) calendar day from the effective date of the contract.

Deliverables
A052 Data & File(s) Transfer

5.7.2.2 System Interface

To provide capability for interface with HUD systems, the Contractor shall provide equipment and software that meet HUDs minimum system requirements. All personal computer configurations shall be in accordance with HUDs minimum personal computer system configurations in effect at the time of contract award.

If configuration requirements change during the term of contract performance, HUD will notify the Contractor in writing of subsequent configurations and the effective date of any such change.

5.7.2.2.1 Internal Interface

The Contractor shall provide equipment and software to allow NSC to generate and upload transaction data files to the SFTP that will be interfaced into the Federal Housing Administration Subsidiary Ledger (FHASL) and other internal HUD systems.

5.7.2.2.2 External Interfaces

HUD currently has several systems of record that do not directly interface with the Single Family Data Warehouse (SFDW). The Contractor shall provide equipment, software, a mechanism, either direct or middleware application, for electronically integrating data elements with any other HUD systems specified by GTR. The data or information from internal/external systems will be provided in a format that allows for immediate upload and integration within SMART/EVARS structures.

5.7.3 Systems Upgrade

The Contractor shall ensure all system components are compatible with future environments that HUD may upgrade or into which HUD may migrate.

The Contractor shall provide an upgrade to the systems/websites/applications no more than four (4) versions during the life of the contract to assure compatibility with current Industry technology. The upgrade shall not occur during the Base Year. The Contractor shall notify and outline changes of new release to the GTR to determine which one is applicable. The Contractor shall perform all needed modifications to enhance, improve, and update programs and process in development environment before

approval for production.

5.7.4 Backup Services and Data Redundancy

To protect the government from major business disruption that would result from the Contractor going out of business or otherwise becoming a non-viable business concern, the Contractor shall place a copy of the source code and compiled code, along with system documentation and the data already covered under the system rights clause, into an independent storage facility on a monthly basis, as approved by the GTR. This requirement extends to any updates to the code base to reflect enhancements, patches or other code fixes, or any other configuration managed release or version upgrade, and the documentation for same. The Contractor will describe how it will implement this requirement, including any terms and conditions of the backup arrangement.

The Contractor will provide a secured and dedicated web hosting services, facility and architecture framework to connect to and host the BSP and to store the application and data framework. The Contractor shall not commingle HUD information with other company or client data.

The Contractor will employ best practices techniques to ensure the ongoing integrity and redundancy of data on its servers. As a matter of practice all data contained on the web servers and data servers is to be considered privacy act data and therefore the Contractor should take additional steps to ensure the security, safety and backup of all data. The Contractor will perform routine or scheduled backups on all web and server data.

The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems that is no older than 7 days. At HUD's discretion the backup data will be activated if access to the data via the primary contractor is disrupted. The Contractor shall demonstrate such capability at least monthly. The Contractor shall be responsible for contacting, establishing and funding for this capability with a designated HUD vendor to place a copy of its data at the HUD vendor's site.

If the web site/server becomes corrupt or non-operational, for any reason, the Contractor will need to restore the web site/servers immediately. It is the Contractor responsibility to maintain up to date copies of all web data for just such event.

<u>Performance Standards</u>
a) Standard: The Contractor shall place a copy of the source code and compiled code, along with system documentation and the data already covered under the system rights clause, into an independent storage facility on a monthly basis

AQL: No deviation.

b) Standard: The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems that is no older than 7 days.

AQL: No deviation.

5.8 Standard and Non-Standard Reports

The Contractor shall develop and deliver a reporting tool for each function of the BSP that shall be accessible according to user profiles. Management Reports shall be generated by HUD predefined parameters and delivered to authorized users as required.

Performance Standards
a) Standard: The Contractor shall develop and deliver a Reports Module to allow users to generate reports for any functions/category set forth of the PWS and specific time frames.

AQL: no deviation

Deliverables
A053 Report Module

5.8.1 Contractor Accomplishments and Issues Report

The Contractor shall report accomplishments, such as efficiency improvements for the previous month, and any issues requiring GTR attention. The report shall be in a format acceptable to the GTR.

Deliverables
A054 Status Reports - SMART/Customer Service/EVARS/ECLASS/Accounting Functions

5.8.2 Standard Reports

5.8.2.1 SMART

5.8.2.1.1 The Contractor shall provide the capability to allow users to take phone calls any sources concerning the sale of the loans, answer HUD-related questions or direct them to the appropriate purchaser and provide written responses addressing the delinquent status of the loans sold. The written responses, in some cases, shall require the Contractor to prepare and send a letter of explanation and payment history on the account, which shall include an explanation and payment history on the account. This shall include an explanation of the transaction/field codes to assist in interpreting the payment history. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

5.8.2.1.2 The Contractor shall investigate mortgagor complaints to determine if the purchaser is servicing the mortgage according to the loan sale agreement, notify the GTR or GTM in writing of any instances of loan sale agreement violations, and maintain a log of complaint calls received. The log of calls shall contain the mortgagor's last name, account number and type of complaint indicating referral to GTR or GTM or resolution for preparation of monthly reports to the GTR or GTM. The Contractor shall make all documentation available for review at the request of the GTM/GTR.

Performance Standards
a) Standard: The Contractor shall gather mortgagor complaints to GTR or GTM by the tenth (10th) business of every month.

AQL: No deviation.

Deliverables
A055 SMART – Monthly Mortgagor Complaint

5.8.2.1.3 The Contractor shall perform quarterly analyses on all aging or non-performing accounts and shall generate statistics that provide a forecast of future account stability for the purpose of disposition. The Contractor shall maximize account resolutions every month to reduce cost and potential loss associated with aging and non-performing portfolios.

5.8.2.1.4 The Contractor shall perform analysis and recommend alternative solutions to the GTR on the disposition of aging and non-performing accounts on an on-going basis to combat future risks and losses to HUD portfolio.

Performance Standards
a) Standard: The Contractor shall provide analysis by the ten (10th) business day of the month with a recommendation.

AQL: No deviation.

Deliverables
A056 SMART – Monthly Analysis of Non-Performing Accounts

5.8.2.1.5 The Contractor shall provide the analytical information to support the recommended alternative solutions. Upon GTR approval, the Contractor shall process the alternative solution.

5.8.2.1.6 The Contractor shall perform a monthly reconciliation of the portfolio to identify anomalies, recommend innovative options to resolve the anomalies to the GTR, and upon GTR approval, process the recommendation.

Performance Standards
a) Standard: Reconciliation shall be completed by the fifth (5th) business day of the month

AQL: No deviation.

Deliverables
A057 SMART – Monthly Reconciliation Report

5.8.2.1.7 Information Status Reports

The Contractor shall provide a summarized status report on delinquency servicing, foreclosure status, portfolio collection, new loans established, tax payment activity, 235/Nehemiah calculations, H4H calculations, conveyances, portfolio reconciliation, disbursements, mortgage release activity, customer service, custodial, and portfolio loss.

Performance Standards
a) Standard: The reports shall be available on the fifth (5th) business day every month.

AQL: No deviation.

Deliverables
A058 SMART – Monthly Information Status Report(s)

5.8.2.2 EVARS

The Contractor shall develop and provide a capability with an export function to report:

- submitted extension and variance requests by lenders/users
- status of the submitted extension and variance requests
- Workflow Report

Management Reports:

- Productivity Report
- Escalating Report
- Lenders Visit Report

Performance Standards
a) Standard: Management Reports shall be delivered on following Monday for reporting period of prior week starting from last Monday to last Sunday, and the fifth (5th) business day every month for reporting period of the prior month.

AQL: No deviation.

Deliverables
A059 EVARS – Weekly Submitted Extension and Variance Requests by Lenders/Users
A060 EVARS – Monthly Submitted Extension and Variance Requests by Lenders/Users
A061 EVARS – Weekly Status of Submitted Extension and Variance Requests by Lenders/Users
A062 EVARS – Monthly Status of Submitted Extension and Variance Requests by Lenders/Users
A063 EVARS – Workflow Report
A064 EVARS – Management Reports: Productivity Report
A065 EVARS – Management Reports: Escalating Report
A066 EVARS – Management Reports: Lenders Visit Report

5.8.2.3 ECLASS

The Contractor shall provide a capability to gather information listing courses, training, registration, attendance status and any other information relating to online training.

Performance Standards
a) Standard: The Contractor shall have the reports available online.

AQL: No deviation.

Deliverables
A067 ECLASS – Attendance Status
A068 ECLASS – Online Registration Status

5.8.2.4 Customer Support Reports

The Contractor shall provide a capability to gather a summary of the total calls presented to each skillset, total answered calls, total abandoned calls, total disconnected calls, total staffed calls, average time to answer, average time to abandon and average service level percentage.

The Contractor shall provide capability to gather a report listing all customer relation and servicing functions performed the prior month for each function of the BSP

The Contractor shall provide a monthly summary and average report showing the following information
Date of Report
Total number of calls received for each function of the BSP
Number of servicing calls referred to the NSC offices in Oklahoma City and Tulsa
Number of loss mitigation calls referred to the NSC offices in Oklahoma City and Tulsa
Number of all other calls referred to the Oklahoma City and Tulsa offices
Number of calls referred to Housing Counseling
Number of calls referred to callers' mortgage lenders
Number of calls handled by HUD's Loan Servicing Contractor
Number of calls referred to other HUD Offices/HOC's
Number of financial cases for which analysis were prepared for NSC's review, listed by ascending area codes
Number of congressional inquiries received
Number of Abandoned Calls
Number of Terminated Calls
Performance Standards
a) Standard: The reports shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A069 Customer Support Report – Summary Report

5.8.2.4.1 Customer Status Report

The Contractor shall provide a report listing the number of calls handled the previous month, how many are still open (including any open calls from prior periods) and the reason they are still open (e.g., controlled correspondence, need financial information, etc.).

Performance Standards
a) Standard: The Customer Status Report shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A070 Customer Support Report – Open Issues Status Report

5.8.2.4.2 Timeliness Reports

The Contractor shall provide a report showing the timeliness of calls answered at the Customer Service Center within all queues.

Performance Standards
a) Standard: The Timeliness Reports shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A071 Customer Support Report – Timeliness Reports

5.8.2.4.3 Telephonic Reports

The Contractor shall provide a capability to gather information listing telephone vendors, system generated report showing abandoned call count, abandoned call rate, abandonment total hold time, abandonment average hold time, abandonment longest hold time, completed call counts, completed call rate, completion total hold time, completion average hold time, and completed longest hold time and other information also includes total abandoned calls, abandoned call rate, and abandoned average hold time for all queues.

Performance Standards
a) Standard: The Abandoned Reports shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A072 Customer Support Report – Telephonic Reports

5.8.2.4.4 Voicemail Report

The Contractor shall provide a system generated report of all calls being answered by voicemail. This report shall contain the date, time of the call, phone number of the caller, date and time of the contractors returned call along with results of the returned call.

Performance Standards
a) Standard: The Voicemail Report shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A073 Customer Support Report – Voicemail Reports

5.8.2.4.5 Telecommunication Status Reports

The Contractor shall provide a report detailing the monthly status of the telecommunications system, including any scheduled and unscheduled time when the system was unavailable for callers to access. This report shall list all calls received, the response time and the length of each call.

Performance Standards
a) Standard: The reports shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A074 Customer Support Report – Telecommunication Status Reports

5.8.2.4.6 Information Records Reports

The Contractor shall provide a report listing all call records created during the month, sorted in numerical sequence by record number and a report listing all records created during the month sorted by Customer Service Representative.

Performance Standards
a) Standard: The reports shall be delivered by the tenth (10th) business day of each month.

AQL: No deviation.

Deliverables
A075 Customer Support Report – Information Records Reports

5.8.2.4.7 Trend Reports

The Contractor shall provide a capability to show a monthly trend report of increasing or decreasing portfolio during the month and increasing or decreasing calls during the month, days of the week, and time of day.

Deliverables
A076 Customer Support Report – Trend Reports

5.8.2.5 Accounting Reconciliation Processes and Reports

5.8.2.5.1 Reconciliations

The Contractor shall provide a capacity for the following reconciliations on a monthly basis to properly support servicing transactions that were recorded in the subsidiary ledger. Reconciliations include, but are not limited to the following as they will expand beyond the list provided based on the agency's needs.

- Daily and monthly Treasury Cash Reconciliations with explanations of any variances if encountered
- Daily and monthly Clearing Accounts Reconciliations, at case level, with explanations of any variances if encountered
- Inventory Reconciliation
- Transaction Detail Report Reconciliation

5.8.2.5.2 Accounting Reports

The Contractor shall provide a report function with the capability to export into excel or any format that is specified by the GTR on a monthly basis to properly support servicing transactions that were recorded in the subsidiary ledger. Reports include, but are not limited to the following as they will expand beyond the list provided based on the agency's needs and/or per Treasury requirements

- Transaction Detail Report for all servicing activities undertaken each month with explanation of variances if encountered
- Cash Report's collections and disbursements
- Trial Balance Report's case level detail activity to include program code, cohort, fund and activity type
- Inventory Report provided at the program and/or process level
- Receivables Report Treasury specific format of case level detail activity to include receivables aging report, write-offs, and currently not collectibles (all in accordance with OMB Circular A-129)
- Foreclosure Report
- Missing Promissory Notes Report
- Case History Report

Deliverables
A077 Accounting Reconciliation Reports
A078 Accounting – Transaction Detail Report
A079 Accounting – Cash Reports
A080 Accounting – Trial Balance Reports
A081 Accounting – Inventory Reports
A082 Accounting – Receivables Reports
A083 Accounting – Foreclosure Reports
A084 Accounting – Missing Promissory Notes Reports
A085 Accounting – Case History Reports

5.8.3 Ad Hoc Reports and Requests

The Contractor shall develop Ad Hoc reports/requests according to the requirements set forth in this PWS under Section 5.8. The Contractor shall deliver all reports to the GTR and GTM accordingly but, not later than the fifth (5th) business day after the end of each month, except Accounting Reports.

Performance Standards
a) Standard: The ad hoc reports/request shall be delivered by the fifth (5th) business day after the end of each month, except Accounting Reports.

AQL: No deviation.

Deliverables
A086 Ad Hoc Reports/Requests

5.8.3.1 Ad Hoc Reports

The Contractor shall develop Ad Hoc Reports as requested by the GTR. These Ad Hoc Reports shall be created in a format accessible by HUD. HUD requires Ad Hoc Reports upon request. All Ad Hoc Reports shall be delivered within three (3) business days of request, unless otherwise agreed to by the GTR.

Performance Standards

a) Standard: The ad hoc reports requested by the GTR shall be delivered within three (3) business days of request, unless otherwise agreed to by the GTR.

AQL: within five (5) business days of request

5.8.3.2 Ad Hoc Requests-

Where possible, the Contractor shall adapt existing canned reports to fulfill new requests and document the report name, specifications, date of the request, authorization and deliver. The Contractor will create a catalog of ad hoc requests and will quantify the types of reports requested, turnaround time, and provide status and volume information in the monthly Status Report.

5.8.3.2.1 For data not within the production environment, the Contractor shall provide rapid development programming to enable the Department to meet critical timeframes for reports and analytics. Delivery time of the assigned rapid development reports will be based on complexity of programming and design; however, the contractor shall provide delivery ready reports within eight (8) hours of assignment by the GTR or their designate to the GTR and GTMs. Rapid development of reports will require close collaboration with HUD staff in order to meet the required timeframe. It is expected that rapid development of reports shall comprise approximately sixteen (16) dedicated hours per week, for a maximum of one thousand two hundred (1200) hours per contract year. Rapid development requirements are in addition to the normal programming requirements for proper site maintenance, report production, standard development, and other programming expertise needed to maintain all aspects of the website.

5.8.3.2.2 For a function of the rapid development requirement, the contractor shall dedicate a specific point of contact, a toll free number, and/ or email box that the GTR/GTM or their designee can utilize to achieve immediate collaboration and commence work effort due to the time constraints of the rapid development requirements. The point of contact shall confirm the start of the rapid development effort within one hour of receiving assignment, or sooner as needed.

5.8.4 Utilization Report

The Contractor shall design, develop, implement and maintain password provisions adhering to all federal guidelines associated with electronic transmissions and data collection with respect to proprietary aspects of the website dashboard as set forth by the GTR. This shall provide limited access to data sets to certain groups or individuals, as specified by the GTR. On a monthly basis, a report shall be provided to the GTR addressing, but not limited to the following elements:

- A list of all authorized website users,
- The level of access granted to each user,
- The amount of time each user has accessed the system;

- The total time has spent in the system
- The number of time the user has successfully logged in;
- The number of failed attempts to log in.

Performance Standard
a) Standard: The reports shall be available on the fifth (5th) business day of every month.

AQL: No deviation

Deliverables
A087 Management Reports – Utilization Reports

5.8.5 Quality of Service Report

5.8.5.1 The Contractor shall provide a quantitative report of the quality of service of the website and website applications, to include historical comparables. The reports shall include, at a minimum, the ability to track trends in website performance by users; sort and summarize calculations by type and/or category and other performance metric capabilities. The report shall be loaded and available on the website system by the fifth (5th) business day of each month, or as requested by the GTR.

5.8.5.2 The Contractor shall provide a monthly report consisting of the numbers and types of inquiries received. The Contractor's phone help shall have on-line, read-only access to BSP data to facilitate responses to callers.

5.8.5.3 The Contractor shall provide a monthly report consisting of the numbers and types of inquiries received for each business function of the PWS.

Deliverables
A088 Management Reports – Quality of Service Reports

5.9 Development/Testing Environment

The Contractor shall provide a development/test environment that is mimic and logically isolated from the production environment within ninety (90) calendar days from the effective date of the contract and notify the GTR and GTM when complete.

The Contractor shall perform initial testing. The HUD NSC team will perform acceptance testing when applicable. The Contractor shall provide access to GTR/GTM and any HUD designees to this environment.

Performance Standards
a) Standard: The Contractor shall provide a development/test environment that is mimic and logically isolated from the production environment within ninety (90) calendar days from the effective date of the contract and notify the GTR and GTM when complete.

AQL: within one hundred and twenty (120) calendar days from the effective date of the contract

Deliverables
A089 Development/Testing Environment

5.10 Training

The Contractor shall provide 4 trainings for each contract period to a general understanding of the system functionality according to the following parameters:

5.10.1 Formal / On-Site Training

The Contractor shall provide an on-site training for orientation, transition and training efficiency of the website, system and programs. This on-site training shall last for a minimum of nine (9) months from the effective date of the contract, with the possibility of a six-month extension as needed. The Contractor shall provide four (4) on-site training during the base period. Following the base year, the contractor shall provide semi-annual training each option year so that the NSC staff and/or BSP users can maintain the highest level of proficiency in the system.

The formal training classes shall explicitly describe the web environment, production and development queries, reports and technical information so that BSP users can fully utilize the website, systems and contents therein. The training location shall be approved by the GTR.

The formal training shall be approved by the GTR and shall occur on day one hundred twenty first (121st) from the contract award day which is after the conversion is complete and shall last within one hundred fifty (150) calendar day from the contract award day.

Deliverables
A090 Formal / On-Site Training

5.10.2 Web Training and Desk Reference Materials

The Contractor shall provide web training or other method acceptable to the GTR, for the websites that can be utilized by Department staff not located at the National Servicing Center for overview of the site capabilities. The Contractor shall submit a Desk Reference Manual on a quarterly basis; the initial version shall be submitted within thirty (30) calendar days from conversion acceptance. The Desk Reference should act as a user guide for all functionalities of the system can be utilized by HUD staff. The Desk Reference guide should be a thorough and complete manual for accessing and manipulating production system, reports, creating simple queries to generate a report and other user information so users of the BSP can efficiently utilize the system and websites. The Contractor will publish informational materials on the websites such as "Quick Tips or "Frequently Asked Questions to assist HUD users on a monthly or quarterly basis as directed by the GTR. The Contractor shall develop written procedures and provide the GTR with a copy of its Help Desk Procedures and frequently asked questions (FAQ) no later than ninety (90) days from the effective date of the contract. The Contractor shall document and distribute the FAQ to users on a quarterly basis or as updates merit more frequent release. The FAQ’s shall be posted to the website and/or sent electronically to the GTR and GTMs with each update.

Performance Standards
a) Standard: The Contractor shall submit an initial Desk Reference Manual within thirty (30) calendar days from conversion acceptance.

AQL: within forty-five (45) calendar days from conversion acceptance.

b) Standard: The Contractor shall submit Help Desk Procedures and frequently asked questions (FAQ) no later than ninety (90) days from the effective date of the contract.

AQL: within one hundred and twenty (120) calendar days from conversion acceptance.

Deliverables
A091 Initial Desk Reference Manual
A092 Web Training
A093 Help Desk Procedures and FAQ

5.11 System Documentations

All information/data sets/business rules/websites/applications/system documentations provided shall be incorporated to the maximum extent possible and as outlined in the Implementation Plan, Technical Manual and Source Code during the conversion process. The Contractor can utilize the current format or provide a new format that incorporates all existing information. The technical manual shall be updated with all processes, procedures and protocols for the technical requirements of the websites are developed and implemented throughout the life of the contract.

The technical manual shall clearly define HUD business rules, technical analysis, and data to system code mapping elements, and should be maintained with updates on all report/studies. The language in the technical manual shall be developed in a manner that allows a layman to understand the business rules and mapping and shall allow HUD to easily reconstruct, transfer, or examine the information source and structure during a quality assurance process and Transition-Into the planned HUD integration structure.

The initial Technical Manual shall be due to the GTR, GTMs, and CO within one hundred and twenty (120) calendar days from the effective date of the contract. Thereafter, the Contractor shall provide monthly updates only; with comprehensive Technical Manual submissions required quarterly after the initial submission. The Contractor shall be prepared to comment on all questions/concerns regarding the Technical Manual, User Manuals, Functional Requirement Documentation, Internal Control Document and Source Code at any time during the contract term.

As a function of the Technical Manual, User Manuals, Functional Requirement Documentation, Internal Control Document and Source Code, the Contractor shall maintain a directory, a source code or index that allows users to easily identify information and data fields available via the website. The directory, source code or index shall be updated parallel the Technical Manual, unless a change or modification warrants an expedited update to the existing version.

Contractor shall create online Technical Manual, Training Guidelines, User Manuals, Functional Requirement Documentation, Internal Control Document, Source Code, Desk Reference and Quick Reference Guide and a hardcopy if requested.

Performance Standards
a) Standard: The Contractor shall submit an initial Technical Manual within one hundred and twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred and fifty (150) calendar days from the effective date of the contract.

b) Standard: The Contractor shall develop and deliver online Technical Manual, Training Guidelines, User Manuals, Functional Requirement Documentation, Internal Control Document, Source Code, Desk Reference and Quick Reference Guide within one hundred twenty (120) calendar days from the effective date of the contract.

AQL: within one hundred fifty (150) calendar days from the effective date of the contract.

Deliverables
A094 Technical Manual
A095 Training Guidelines
A096 User Manuals
A097 Functional Requirement Documentation
A098 Internal Control Document
A099 Source Code
A100 Desk Reference and Quick Reference Guide

5.12 Transition Out at End of the Contract Period

The services under this contract are critical to the Department and shall be continued without interruption. Upon contract expiration or termination at any time during the life of the contract, and in the event the Contractor does not receive the subsequent contract, the Contractor shall participate in a phase-out transition period with the successor Contractor. The phase-out transition period will encompass the final ninety (90) calendar days of this contract. During this period, the Contractor shall exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

To minimize any decrease in productivity and to prevent possible negative impacts on additional services, the Contractor shall have sufficient personnel on board during the ninety (90) day Transition-Out period. The incumbent Contractor shall ensure a smooth transition with the successor Contractor during the Transition-Out period, prior to completion of contractual performance. The incumbent Contractor shall aid the successor in the development of plans, procedures, and methods for the assumption of all on going work. The Contractor shall provide an orderly transition of work acceptance and accomplishment, such that full control by the successor Contractor is achieved by the end of the new contract Transition-In period.

Deliverables
A101 Transition Out

5.12.1 Phase Out Staffing

The Contractor shall maintain adequate staffing during the phase out period to ensure that the services called for by this contract are maintained at the required level of proficiency. The Contractor shall disclose necessary personnel records and allow the successor to conduct on-site interviews with the employees for potential hiring. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor Contractor.

5.12.2 Phase Out Costs (if applicable) -

At least 60 days prior to the phase out transition period, the contractor shall submit a proposal to the contracting officer to negotiate a lump sum price to cover all costs directly attributable to the phase out effort.

5.12.3 Successor Training

The Contractor shall negotiate in good faith, a plan with the successor Contractor and HUD to determine the nature and extent of the phase-out services required, sufficient to permit the successor Contractor an orderly and timely phase in. The plan shall specify a training program (if applicable); a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the Contracting Officer's approval. This training shall take place Monday through Friday during the training period for a minimum of six (6) hours each day. The phase out transition plan is due not later than thirty (30) calendar days prior to the phase-out transition period.

5.13.4 Business Service Providers and Documentation Transfer

The Contractor shall provide a copy of all updated system documentation, current HUD-owned source code, current database structures and contents, procedures, manuals, etc. applicable to SMART (A80H), ECLASS, and EVARS to the successor not later than (10) business days from the effective date of the Phase Out Period. The Contractor shall deliver ownership and rights of website names for SMART, ECLASS, EVARS, and any other related websites to the successor. The Contractor shall deliver all 800#s delivered to or activated under the SMART BSP Contract and published by HUD during the life of the contract. The Contractor shall provide the successor with all computer applications, technical assistance and documentation, required for a seamless transference of all items stated. The Contractor shall transfer the data from all business service providers and/or systems according to HUDs approved IT policies and procedures on data transfer protocol. Any such data transfer shall be coordinated with HUD to ensure adequate safeguards are taken to protect HUDs system integrity. The Contractor shall ensure that HUD has direct access to a full backup copy of all data sets applicable to HUD systems that is no older than 7 days. At HUD's discretion the backup data will be activated if access to the data via the successor contractor is disrupted during the Phase-Out Period. The contractor shall submit to the GTR a request for signatory authorization to destroy all back-up copies of current HUD-owned source code, current database structures and contents, procedures, manuals, etc. applicable to SMART (A80H), Accounting, ECLASS, and EVARS not later than 90 days from the effective date of the Phase Out Period. The GTR will notify the contractor as to the date the said items are to be destroyed not later than 30 days of receipt of request.

6 Deliverables

The Contractor shall complete all work and submit all deliverables as specified herein. The Government reserves the right to make changes to delivery dates.

A001	Implementation Plan
A002	Configuration Management Plan
A003	BSP Architecture
A004	A Web Hosting Service that is FedRAMP certified
A005	E-Authentication
A006	Security Profiles and Audit
A007	Telecommunication Hookups
A008	Conversion
A009	Training of the New System (Formal Training – Training during Transition)
A010	Management Work Plan (MWP)
A011	System Test and Evaluation (ST&E)
A012	Independent System Test and Evaluation (ST&E)
A013	Plan of Action and Milestones
A014	Audit Report
A015	Disaster Recovery Plan
A016	Disaster Recovery Test Plan
A017	Security Controls and Assessment Report (SCAR)
A018	Risk Assessment
A019	SSAE 16 Audit
A020	Review of Business Process Controls
A021	Certification and Accreditation (C&A)
A022	Internal Controls Assessment
A023	Continuity of Operations Plan (COOP)

A024	Quality Control Plan (QCP)
A025	Performance Report and Debriefing
A026	Corrective Actions
A027	Status Meetings
A028	Monthly Progress Report
A029	Quarterly Progress Report (for special project)
A030	Quality Control Reviews and Summary Report
A031	Contractor Quarterly Self-Evaluation Performance
A032	Executive Summary
A033	Memorandum by the Assistant Secretary Accepting the System for Operation
A034	Memorandum of Understanding (MOU) or Equivalent
A035	Single Family Mortgage Asset Recovery Technology (SMART)
A036	Extensions and Variances Automated Requests System (EVARS)
A037	Submission File for Extension Requests
A038	Submission File for Variance Requests
A039	Response File(s)
A040	Electronic Courses on Loss Mitigation and Servicing System (ECLASS)
A041	Federal Credit Reform Act and the US Standard General Ledger Accounting Transaction Format
A042	Accounting and Financial Function/Module
A043	Financial Management System Assessment - A-127 Self-Assessment
A044	OMB Circular A-127 Revised, Financial Management Systems
A045	OMB Circular A-123 Self-Assessment
A046	Data & File(s) Transfer

A047	Customer Support Module
A048	Customer Support Helpdesk
A049	Help Desk Procedure and FAQ
A050	Production Environment
A051	Audit Logs
A052	Data & File(s) Transfer
A053	Report Module
A054	Status Reports - SMART/Customer Service/EVARS/ECLASS/Accounting Functions
A055	SMART – Monthly Mortgagor Complaint
A056	SMART – Monthly Analysis of Non-Performing Accounts
A057	SMART – Monthly Reconciliation Report
A058	SMART – Monthly Information Status Report(s)
A059	EVARS – Weekly Submitted Extension and Variance Requests by Lenders/Users
A060	EVARS – Monthly Submitted Extension and Variance Requests by Lenders/Users
A061	EVARS – Weekly Status of Submitted Extension and Variance Requests by Lenders/Users
A062	EVARS – Monthly Status of Submitted Extension and Variance Requests by Lenders/Users
A063	EVARS – Workflow Report
A064	EVARS – Management Reports: Productivity Report
A065	EVARS – Management Reports: Escalating Report
A066	EVARS – Management Reports: Lenders Visit Report
A067	A067 ECLASS
A068	ECLASS – Online Registration Status

A069	Customer Support Report – Summary Report
A070	Customer Support Report – Open Issues Status Report
A071	Customer Support Report – Timeliness Reports
A072	Customer Support Report – Telephonic Reports
A073	Customer Support Report – Voicemail Reports
A074	Customer Support Report – Telecommunication Status Reports
A075	Customer Support Report – Information Records Reports
A076	Customer Support Report – Trend Reports
A077	Accounting Reconciliation Reports
A078	Accounting – Transaction Detail Report
A079	Accounting – Cash Reports
A080	Accounting – Trial Balance Reports
A081	Accounting – Inventory Reports
A082	Accounting – Receivables Reports
A083	Accounting – Foreclosure Reports
A084	Accounting – Missing Promissory Notes Reports
A085	Accounting – Case History Reports
A086	Ad Hoc Reports/Requests
A087	Management Reports – Utilization Reports
A088	Management Reports – Quality of Service Reports
A089	Development/Testing Environment
A090	Formal / On-Site Training
A091	Initial Desk Reference Manual

A092	Web Training
A093	Help Desk Procedures and FAQ
A094	Technical Manual
A095	Training Guidelines
A096	User Manuals
A097	Functional Requirement Documentation
A098	Internal Control Document
A099	Source Code
A100	Desk Reference and Quick Reference Guide
A101	Transition Out

6.1 Quality Control Plan

The Contractor's QCP shall be delivered to the GTR within 30 days after contract award (or with the Contractor's proposal if it is an evaluation factor). The QCP shall be submitted to the GTR within ten (10) calendar days when changes are made thereafter. After acceptance of the QCP, the Contractor shall receive the Contracting Officer's acceptance in writing of any proposed change to its quality control system.

6.2 Acceptance Criteria

The Contractor shall provide the GTR/GTM electronic copies of all document deliverables for review and approval for each document deliverable related to this PWS. HUD will review and respond within fifteen days from receipts.

7 Performance Requirements Summary

The summary chart below lists the contract's primary requirements, the associated performance standards, the expected target performance, and the methods of surveillance. While some contract requirements may not be listed in the chart below, requirements not appearing on the PRS chart do not negate the Contractor's obligation to perform all requirements as specified in the contract. Additionally, HUD reserves all rights and remedies under the provisions and clauses of the contract when performance of any contract requirement, whether or not listed below, is unacceptable.

HUD will develop a Quality Assurance Surveillance Plan to be used to provide contract oversight. In conjunction with the Contractor's Quality Control Plan and various other methods of assessing performance, the GTR and GTM may perform on-site reviews and/or other types of verification to determine that the specified target performance requirements have been met.

Regular review of Contractor performance is critical to the overall success of the contract. On a monthly basis, the GTR will evaluate the quality of the product or services.

8 Related Documents

The Contractor shall abide by all applicable regulations, publications, manuals, policies, and procedures in the performance of this contract. The following documents are incorporated under Section J. of the contract.

SMART Functional Requirement Document
ECLASS Training Content
EVARS Functional Requirements
EVARS Code Changes in 2012
EVARS Enhancements 2015 List

Performance Requirement Summary (PRS)

Statements		Standards/AQLs	Incentive/Remedy
5.1	Transition-In/Conversion		
5.1.1	Phase One - BSP System Preparation		
5.1.1.1	Implementation Plan	a) Standard: The Contractor will deliver a draft Implementation Plan thirty (30) calendar days from the effective date of the contract. AQL: within forty-five (45) calendar days from the effective date of the contract.	
5.1.1.1.1	The Implementation Plan shall clearly describe the conversion efforts, and shall include	a) Standard: The Contractor shall deliver an updated and approved Implementation Plan forty-five (45) calendar days from the effective date of the contract. AQL: No deviation	
5.1.1.1.2	To accomplish a seamless conversion, at a minimum, the following efforts are expected:	a) Standard: The Contractor shall establish websites and SMART BSP function within ninety (90) calendar days from the effective date of the contract. AQL: within one hundred twenty (120) calendar days from the effective date of the contract.	
5.1.1.1.3	BSP Architecture Information	a) Standard: The Contractor shall comply with HUDs EA information. AQL: no deviation	
5.1.1.1.4	BSP Architecture	a) Standard: The Contractor shall complete the establishment of its physical infrastructure according HUD's IT infrastructure and standard. AQL: No deviation. b) Standard: The Contractor shall develop, configure, deliver and implement BSP Infrastructure within sixty (60) calendar days	

	from the effective date of the contract. AQL: within seventy-five (75) days from the effective date of the contract.	
5.1.1.1.5 Web Information	a) Standard: The Contractor shall provide specialized web hosting in accordance with HUD standards. AQL: no deviation b) Standard: The Contractor shall develop, configure, deliver and implement web hosting service within sixty (60) calendar days from the effective date of the contract. AQL: within seventy-five (75) days from the effective date of the contract.	
5.1.1.1.6 Web Hosting	a) Standard: The Contractor shall provide web-based and rule-based services. AQL: No deviation b) Standard: The Contractor shall develop, configure, test, deliver and implement web hosting service within sixty (60) calendar days from the effective date of the contract. AQL: within seventy-five (75) days from the effective date of the contract. c) Standard: The Contractor shall provide a secure and remotely accessible through a cloud computing environment that is FedRAMP certified. AQL: no deviation. d) Standard: The Contractor shall maintain and provide secure access without interruption to EVARS (https://evars.hudtulsa.org) and ECLASS (https://eclass.hudtulsa.org) as soon as the transfer of the websites from the retiring contractor complete.	

		AQL: no deviation	
5.1.1.1.7	VPN Connectivity	a) Standard: The Contractor shall comply with HUDs EA information. AQL: no deviation b) Standard: Installation of the VPN Tunnel is taken place within 60 calendar days from the effective date of the contract. AQL: within seventy-five (75) calendar days from the effective date of the contract.	
5.1.1.1.8	Password Administration - Role Based Access	a) Standard: The Contractor shall create an audit trail. AQL: No deviation b) Standard: The Contractor shall develop customized user profiles adhering to all federal guidelines. AQL: 100% Compliant with applicable regulations c) Standard: The Contractor will utilize the same user identification number ID and password in order to accommodate a single sign-on requirement. AQL: 100% Compliant with applicable regulations d) Standard: The Contract shall create and setup different user's profiles based on HUD's guidance and business processes within sixty (60) days from the effective date of the contract. AQL: within ninety (90) calendar days from the effective date of the contract.	
5.1.1.1.9	Telecommunications Hook-Ups, Etc.	a) Standard: The Contractor shall acquire a toll free telephone which will become a HUD owned-toll free telephone number and develop a help desk email and physical addresses within sixty (60) calendar days	Disincentive:The contract payment will be reduced by a percentage that is directly proportional to the

	from the effective date of the contract. AQL: within seventy-five (75) calendar days from the effective date of the contract b) Standard: The Contractor shall develop a customer helpdesk email and physical addresses within sixty (60) calendar days from the effective date of the contract. AQL: within seventy-five (75) calendar days from the effective date of the contract c) Standard: The telecommunication system maintains an operational capability 100% of the time, except during periods of approved documented scheduled maintenance. AQL: Scheduled maintenance shall be approved by the GTR no later than 48 hours prior to downtime	percentage of time that the Contractor's telecommunications system was inoperable during the quarter. For example, if the system were down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%. Disincentive provisions relating to maintaining continuous telecommunications systems shall not be applied to specific events arising solely from Force Majeure conditions.
5.1.1.1.10 Conversion	a) Standard: The contractor shall receive and process data from incumbent and any other from internal and external HUD system within one hundred and twenty (120) calendar days from the effective date of the	

	contract. AQL: within one hundred and fifty (150) calendar days from the effective date of the contract b) Standard: The Contractor shall perform close scrutiny of the business rules, report format and functionality during the conversion period and shall enhance reports, if necessary, that are already in use by HUD from in the retiring contractor within one hundred and twenty (120) calendar days from the effective date of the contract. AQL: within one hundred and fifty (150) calendar days from the effective date of the contract. c) Standard: The Contractor shall begin converting all data, sequels, business rules and flat files from retiring contractor to the new platform during the conversion period within one hundred and twenty (120) calendar days from the effective date of the contract. AQL: within one hundred and fifty (150) calendar days from the effective date of the contract. d) Standard: The Contractor shall convert all database/files/reports/programs/procedures from existing systems including SMART/EVARS/ECLASS to a new platform/application within one hundred and twenty (120) calendar days from the effective date of the contract. AQL: within one hundred and fifty (150) calendar days from the effective date of the contract. e) Standard: The Contractor shall convert and deliver these functions including SMART (See Specific Task 5.2 SMART),	

		Accounting (See Specific Task 5.5 Accounting) and Customer Support (See Specific Task 5.6 Customer Support) of the new system that are ready for operation within one hundred and twenty (120) calendar days from the effective date of the contract. AQL: no deviation. f) Standard: The Contractor shall convert and deliver these functions including EVARS (See Specific Task 5.3 EVARS) and ECLASS (See Specific Task 5.4 ECLASS) of the new system that are ready for operation within one hundred and twenty (120) calendar days from the effective date of the contract. AQL: within one hundred and fifty (150) calendar days from the effective date of the contract.	
5.1.2	Phase Two		
5.1.2.1	Complete Infrastructure	a) Standard: The Contractor shall provide complete infrastructure within sixty (60) calendar days from the effective date of the contract. AQL: within seventy-five (75) calendar days from the effective date of the contract	
5.1.2.2	Fully Operational and Training of the New System	a) Standard: All BSP functions shall be fully operational at one hundred fifty-one (151) calendar days from the effective date of the contract AQL: no deviation b) Standard: The Contractor shall provide the first formal training at one hundred and twenty-one (121) calendar day from the effective date of the contract. AQL: no deviation	

5.1.2.3	Contract Performance	a) Standard: Contractor's performance is measured based on deliverables specified in the PWS requirements. AQL: Contractor shall comply with the PWS requirements.	
5.1.3	Management Work Plan (MWP)	a) The Contractor shall provide MWP thirty (30) calendar days from the effective date of the contract. AQL: within five (5) business days of approved change/extension	
5.1.4	Systems Security	a) Standard: The Contractor shall submit the SSP and Disaster Recovery Plan within thirty (30) calendar days from the effective date of the contract and updates provided not later than five (5) business days of any change. AQL: within forty-five (45) calendar days from the effective date of the contract. b) Standard: System Tests and Reports must be submitted not later than five (5) business days from request. AQL: within seven (7) business days from request.	
5.1.5	Continuity of Operations Plan (COOP)	a) The Contractor shall provide a specific written COOP within thirty (30) calendar days from the effective date of the contract. AQL: within forty-five (45) calendar days from the effective date of the contract.	
5.1.6	Quality Control Plan (QCP)	a) Standard: The Contractor shall provide QCP within ten (10) calendar days after the post award conference. AQL: within twenty (20) calendar days after the post award conference.	

5.1.6.1	Performance Report and Debriefing		
5.1.6.2	Corrective Actions		
5.1.6.3	Status Meetings		
5.1.6.4	Monthly Accomplishment Reports and Quarterly Progress Reports	a) Standard: The Contractor shall provide monthly progress report by the fifth (5th) business day of each month. AQL: by the seventh (7th) business day of each month.	
5.1.6.5	Quality Control Reviews and Summary Report		
5.1.6.6	Quarterly Review	a) Standard: The contractor shall provide a self-evaluation to the GTR not later than ten (10) calendar days after the end of each calendar quarter. AQL: not later than fifteen (15) calendar days after the end of each calendar quarter.	
5.1.6.7	Executive Summary	a) Standard: The contractor shall provide an executive summary thirty (30) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter. AQL: twenty (20) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter.	

Statements		**Standards/AQLs**	**Incentive/Remedy**
5.2	Single Family Mortgage Asset Recovery Technology (SMART) System Requirements	a) The Contractor shall comply with HUDs EA information. AQL: 100% Compliant with applicable regulations b) - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of	The contract payment will be reduced by a percentage that is directly proportional to the percentage of down time that the Contractor's operational capability was reported inoperable during the quarter. For example, if the system was down for any reason for 60 hours during a quarter, the

		Force Majeure. AQL: No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.	Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%.
5.2.1	The Contractor provides service and track servicing activities the Secretary Held portfolio excluding Reverse or HECM Mortgages and monitor contractor performance.	a) weekly and monthly reports AQL: 100% Compliant with applicable regulations	
5.2.2	The Contractor shall provide storage capacity to store and maintain electronic of servicing files. The electronic files must include scanned, computerized notes documenting all servicing actions relating to the loan (loan history), electronically imaged copies of all documents generated by or relating to any servicing actions, and electronically imaged copies of all correspondence	a) The Contractor shall create storage capacity and audit log AQL: no deviation	

	sent or received relating to the loan. The Contractor shall provide capability to track and log all activity of relating any electronic files.		
5.2.3	All files and data shall remain the property of HUD. All electronic files shall be accessible to HUD users according to the system defined user profiles. The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems.		
5.2.4	The Contractor shall provide an automated business processes and capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.		
5.2.5	The Contractor shall provide a system where users may access SMART over a LAN or remotely through a Cloud computing environment.	a) SMART system can be access through a secure FedRAMP. AQL: 100% Compliant with applicable regulations.	
5.2.6	The Contractor shall provide Internal Quality	a) The Contractor shall comply with HUD guidelines and regulations AQL: 100% Compliant with applicable	

Control including designing, testing, and executing internal control processes, procedures, tracking mechanisms and performing reviews FHA-insured portfolios.	regulations	

Statements	Standards/AQLs	Incentive/Remedy
5.3 Extensions and Variances Automated Requests System (EVARS) System Requirements	a) - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. AQL: 100% Compliant with applicable regulations	The contract payment will be reduced by a percentage that is directly proportional to the percentage of down time that the Contractor's operational capability was reported inoperable during the quarter. For example, if the system was down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%.
5.3.1 The Contractor shall develop a rule-based event-driven system to provide an automated process to allow lender to submit requests, review, or	a) EVARS system is compatible with industry standard and compliant with HUD's IT guideline AQL: 100% Compliant with applicable regulations b) The Contractor shall provide web-	

	appeal of approval and rejection of extensions and variances related to various loan programs.	based and rule-based services. AQL: 100% Compliant with applicable regulations	
5.3.2	The Contractor shall provide a real-time web-based application which allows lenders to access via a secured World Wide Web from any device to complete and submit forms to HUD for extensions and variances.	a) The Contractor shall utilize web-based and rule-based technology that meets HUD's IT requirements to create EVARS application. AQL: 100% Compliant with applicable regulations	
5.3.3	The Contractor shall provide a capability to gather information needed for an extension of time or variance where the system is unable to make a determination and routed to appropriate HUD staff for review.		
5.3.4	The Contractor shall provide a capability for interface with internal HUD systems or any external systems specified by the GTR. The Contractor shall provide equipment and software that meet HUD’s minimum system requirements.		
5.3.5	The Contractor shall provide a methodology to allow lenders to submit a file for extensions and variance requests. The Contractor shall process and upload a response file to the requested lender. The Contractor shall	a) The Contractor shall verify and validate submitted file against EVARS/HUD database AQL: no deviation	

	provide a capability to systematically verify and validate the submission and response files using EVARS and/or HUD databases.		
5.3.6	The Contractor shall provide capability to upload, export, report, notification, alert and email from EVARS system.	a) The Contractor shall comply with Section 508. AQL: 100% Compliant with applicable regulations b) EVARS systems should be standardized with industry standard and compliant with HUD's IT guideline AQL: 100% Compliant with applicable regulations	
5.3.7	The Contractor shall maintain all features of the website insuring functionality, reliability, efficiency, and integrity of the structure.	a) The Contractor shall comply with Section 508. AQL: 100% Compliant with applicable regulations	

Statements		**Standards/AQLs**	**Incentive/Remedy**
5.4	Electronic Courses on Loss Mitigation and Servicing System (ECLASS) System Requirements	a) - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. AQL: 100% Compliant with applicable regulations	The contract payment will be reduced by a percentage that is directly proportional to the percentage of down time that the Contractor's operational capability was reported inoperable during the quarter. For example, if the system was down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60.

		Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%.
5.4.1 The Contractor shall provide FHA lenders, housing counseling agencies, HUD and other non-profit organizations a web-based interactive Servicing and Loss Mitigation training and notifications to various related conferences.	a) Online ECLASS training is compatible with industry standard. AQL: 100% Compliant with applicable regulations	
5.4.2 The Contractor shall provide the instructors with the ability to record class attendance and test results online.		
5.4.3 The Contractor shall provide a real-time registration, tracking online attendance, status and progress of each class/module, keeping grades, certificate of completion.		
5.4.4 The Contractor shall provide an interactive, visual online training class and also flexibility to allow students schedule their training at anytime, anywhere on any device.		

Statements	**Standards/AQLs**	**Incentive/Remedy**
5.5 Accounting - Financial Functions		
5.5.1 Manage the		

	operations of financial activities - The Contractor shall provide a capability to manage the operations of financial activities a monthly basis to properly account for the Single Family secretary-held cases in inventory:		
5.5.2	The Contractor shall ensure and provide a capability to prepare proper and accurate proprietary and budgetary accounting transactions		
5.5.2.1	The Contractor shall record transactions in conformity with accounting principles generally accepted in the United States of America applicable to Federal agencies (Fergal) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), adhere to Federal government accounting guidance issued by the Office of Management and Budget and ensure that all accounting transactions comply with the Office of Management and Budget's (OMB) Financial	a) The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems. AQL: 100% Compliant with applicable regulations	

	Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems.		
5.5.2.2	The Contractor shall use FHA-approved Posting Models to record all transactions including disbursement (accounts payable) and collection (accounts receivable) transactions. The FHA has approved posting models and will provide the most recent at the end of each fiscal quarter. The accounting GTM will notify the Contractor of any subsequent changes to FHA's approved Posting Models within five business days of the change.		
5.5.2.3	The Contractor shall record all accounting transactions according to FHA's implementation of the Federal Credit Reform Act and the US Standard General Ledger.	a) The Contractor shall record all accounting transactions according to FHAs implementation of the Federal Credit Reform Act and the US Standard General Ledger. AQL: No deviation.	
5.5.2.3.1	The Contractor shall create entries by fund, risk		

	category/section of the act, cohort year, etc. for each accounting area identified above.		
5.5.2.3.2	The Contractor shall provide the ability to add additional funds, fund attributes, risk categories, etc. as mandated by future legislation and/or policy changes.		
5.5.2.4	The Contractor shall develop and deliver accounting standards to:	a) The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems.	
5.5.2.5	The Contractor shall provide a capability to create roll forward account balances from the end of one fiscal year to establish beginning account balances for the new fiscal year.		
5.5.3	Interface transaction data files - The Contractor shall produce the transaction data file that will be interfaced into the Federal Housing Administration Subsidiary Ledger (FHASL) on a daily basis.	a) The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems. AQL: No deviation.	
5.5.3.1	The Contractor shall use the FHA-		

	approved interface file formats when creating interface files with the FHASL. The accounting GTM will notify the Contractor of any subsequent changes to FHA's approved file formats within five business days of the change.		
5.5.3.2	The Contractor shall verify that its interface files are compatible with the data elements referred to as chart fields – used by the FHASL—in all accounting ledgers as necessary		
5.5.3.3	The Contractor shall validate and report successful loading of interface files. In the event of unsuccessful loading of any interface file, the Contractor shall provide an automated failed interface report with specific error details for review by the Government. The Contractor shall then be required to resolve all interface loading errors within one business day.		
5.5.4	Create and/or modify various trial balance reports based on client needs per Treasury requirements - The Contractor shall		

	create, maintain and/or modify trial balance reports within the subsidiary system		
5.5.5	Maintain subsidiary system crosswalk - The Contractor shall update the subsidiary system's crosswalk, as needed, by accounting area posting model(s), under the direction of the accounting GTM when requested by the General Ledger Division. Updates are required to maintain accurate posting of the FHASL file. The accounting GTM will provide most recent version of crosswalk and posting models at contract effective date.		
5.5.6	The Contractor shall provide quality assurance processes of the accounting functions.		
5.5.6.1	The Contractor shall generate month-end closing procedures to summarize all accounting transactions and transmit these transactions to the FHASL.		
5.5.6.2	The Contractor shall close Accounting Period		

	financial transactions in the Contractor's business services General Ledger, and update the FHA General Ledger (FHASL).		
5.5.6.3	The Contractor shall validate transaction detail report activity against transaction data file activity prior to interface		
5.5.6.4	The Contractor shall validate transaction detail report activity against trial balance reports daily		

Statements		**Standards/AQLs**	**Incentive/Remedy**
5.6	Customer Support	a) The Contractor shall develop, specify and maintain different categories to appropriately address each business and technical functions of BSP including SMART/EVARS and ECLASS. AQL: No deviation.	
5.6.1	Customer Support Helpdesk	a) The customer help desk phone number and email systems shall be operational within one hundred fifty (150) calendar days from contract the effective date of the contract and available during normal business hours seven (7) a.m. to seven (7) p.m. in geographical time zone AQL: no deviation	
5.6.2	Response Time	a) The average wait time for all callers who choose to speak to a Customer Service Representative shall be no more than one (1) minute for 75% of all calls received for the quarter.	Disincentive - For each 15-second increment in which the average wait time is longer than the standard, the Contractors invoice would be reduced by 1% on

		AQL: The wait time for all calls is no more than one (1) minute for 75% of all calls received for the quarter.	the applicable CLIN (the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter reviewed. In no event shall it exceed a maximum of 6% per quarter for the invoice)
5.6.2.1	Customer Inquiries	a) The Contractor shall respond to telephone inquiries not later than 12 noon or one (1) business day of the date the call was placed to the Contractor's office. AQL: No deviation. b) The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of the inquiry. AQL: No deviation.	
5.6.2.2	Governmental Inquiries	a) The Contractor shall notify the GTR not later than twenty-four (24) hours following receipt of any request for information from an elected or public official. and shall, not later than two (2) business days of said request, provide written information to assist HUD in preparing a response. AQL: No deviation.	
5.6.3	The Contractor shall search databases for customer information, prior calls, and related issues; and provide appropriate assistance to the Customer. The Contractor shall escalate the call either warm or cold transfer to the appropriate HUD office if the	a) The Contractor shall not transfer more than 20% of all calls. AQL: No deviation.	Disincentive - For each percent increment in which the transfer call is more than the standard, the Contractors invoice would be reduced by 1% on the applicable CLIN (the estimated quantity applicable to the quarter in which the disincentive is

	Contractor determines HUD expertise is required to complete the call. When a call is transferred, the Contractor shall remain on the line until the connection to the transfer is completed. The Contractor shall document all calls for reporting and auditing purposes. The Contractor shall not transfer more than 20% of all calls.		calculated) and applied to the quarter reviewed. In no event shall it exceed a maximum of 6% per quarter for the invoice)
5.6.4	The Contractor shall gather basic information such as caller demographics, document the purpose of the call before transferring the call to NSC.		
5.6.5	The Contractor shall log all calls received and electronic messages forwarded from the National Servicing Center to the contractor's Customer Support as a separate call for each classified categories of the BSP.		
5.6.6	The Contractor shall provide capability to track all inbound and outbound calls and document correspondences.		
5.6.7	The Contractor shall provide written procedures and Help Desk Procedures and Frequently Asked Questions (FAQ) to assist all inbound inquires.		

Statements		Standards/AQLs	Disincentive/Remedy
5.7	Production Environment		
5.7.1	Audit Logs	a) Standard: The Contractor shall create storage capacity and audit log. AQL: no deviation	
5.7.1.1	Web Sites/Server Availability	a) The Contractor shall comply with HUDs EA information. AQL: 100% Compliant with applicable regulations b) - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. AQL: No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.	Disincentive: Contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractors system was inoperable during the quarter. For example, if the system were down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to monthly CLIN = 3%. Reduction to monthly CLIN = 3%.
5.7.1.2	Web Reliability	a) - The system shall maintain an operational capability 100% of the time, except during periods of	Disincentive: Contract payment will be reduced by a percentage that is

		documented scheduled maintenance or in the event of Force Majeure. AQL: No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure. b) The Contractor shall comply with HUDs EA information. AQL: 100% Compliant with applicable regulations	directly proportional to the percentage of time that the Contractors system was inoperable during the quarter. For example, if the system were down for any reason for 60 hours during a quarter except during periods of documented scheduled maintenance or in the event of Force Majeure, the Contractors invoice would be reduced by 3% on the on the applicable CLIN.
5.7.1.3	Scheduled or Routine Maintenance	a) The Contractor shall perform scheduled maintenance not to exceed two (2) total hours of server unavailability per month. AQL: No deviation.	Disincentive: Contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractors system was inoperable during the quarter. For example, if the system were down for any reason for 60 hours during a quarter except during periods of documented scheduled maintenance or in the event of Force Majeure, the Contractors invoice would be reduced by 3% on the on the applicable CLIN.
5.7.1.4	Web Enhancements		
5.7.2	Data Transfer and System Interface		
5.7.2.1	Data Transfer	a) The Contractor shall extract, receive, process, and generate	

		production data within forty-five (45) calendar days from the effective date of the contract. AQL: within sixty (60) calendar day from the effective date of the contract.	
5.7.2.2	System Interface		
5.7.2.2.1	Internal Interface		
5.7.2.2.2	External Interfaces		
5.7.3	Systems Upgrade		
5.7.4	Backup Services and Data Redundancy	a) The Contractor shall place a copy of the source code and compiled code, along with system documentation and the data already covered under the system rights clause, into an independent storage facility on a monthly basis AQL: No deviation. b) The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems that is no older than 7 days. AQL: No deviation.	

Statements		**Standards/AQLs**	**Disincentive/Remedy**
5.8	Standard and Non-Standard Report	a) Standard: The Contractor shall develop and deliver a Reports Module to allow users to generate reports for any functions/category set forth of the PWS and specific time frames. AQL: no deviation	
5.8.1	Contractor Accomplishments		

	and Issues Report		
5.8.2	Reports Module		
5.8.2.1	SMART		
5.8.2.1.1	The Contractor shall take phone calls from mortgagors concerning the sale of their loans, answer HUD-related questions or direct them to the appropriate purchaser and provide written responses addressing the delinquent status of the loans sold. The written responses, in some cases, shall require the Contractor to prepare and send a letter of explanation and payment history on the account, which shall include an explanation and payment history on the account. This shall include an explanation of the transaction/field codes to assist in interpreting the payment history. The Contractor shall make all documentation available for review at the request of the GTM/GTR.		
5.8.2.1.2	The Contractor shall investigate mortgagor complaints to determine if the	a) The Contractor shall gather mortgagor complaints to GTR or GTM by the tenth (10th) business of every month.	

	purchaser is servicing the mortgage according to the loan sale agreement, notify the GTR or GTM in writing of any instances of loan sale agreement violations, and maintain a log of complaint calls received. The log of calls shall contain the mortgagor's last name, account number and type of complaint indicating referral to GTR or GTM or resolution for preparation of monthly reports to the GTR or GTM. The Contractor shall make all documentation available for review at the request of the GTM/GTR.	AQL: No deviation.	
5.8.2.1.3	The Contractor shall perform quarterly analyses on all aging or non-performing accounts and shall generate statistics that provide a forecast of future account stability for the purpose of disposition. The Contractor shall maximize account resolutions every month to reduce cost and potential loss associated with aging and non-performing		

	portfolios.		
5.8.2.1.4	The Contractor shall perform analysis and recommend alternative solutions to the GTR on the disposition of aging and non-performing accounts on an on-going basis to combat future risks and losses to HUD portfolio.	a) The Contractor shall provide analysis by the ten (10th) business day of the month with a recommendation. AQL: No deviation.	
5.8.2.1.5	The Contractor shall provide the analytical information to support the recommended alternative solutions. Upon GTR approval, the Contractor shall process the alternative solution.		
5.8.2.1.6	The Contractor shall perform a monthly reconciliation of the portfolio to identify anomalies, recommend innovative options to resolve the anomalies to the GTR, and upon GTR approval, process the recommendation.	a) Reconciliation shall be completed by the fifth (5th) business day of the month AQL: No deviation.	
5.8.2.1.7	Information Status Reports	a) The reports shall be available on the fifth (5th) business day every month. AQL: No deviation.	
5.8.2.2	EVARS	a) Management Reports shall be delivered on following Monday for reporting period of prior week starting from last Monday to last Sunday, and	

		the fifth (5th) business day every month for reporting period of the prior month. AQL: No deviation.	
5.8.2.3	ECLASS	a) The Contractor shall have the reports available online. AQL: No deviation.	
5.8.2.4	Customer Support Reports	a) The reports shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	
5.8.2.4.1	Customer Status Report	a) The Customer Status Report shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	
5.8.2.4.2	Timeliness Reports	a) The Timeliness Reports shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	
5.8.2.4.3	Telephonic Reports	a) The Abandoned Reports shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	
5.8.2.4.4	Voicemail Report	a) The Voicemail Report shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	
5.8.2.4.5	Telecommunication Status Reports	a) The reports shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	

5.8.2.4.6	Information Records Reports	a) The reports shall be delivered by the tenth (10th) business day of each month. AQL: No deviation.	
5.8.2.4.7	Trend Reports		
5.8.2.5	Accounting Reconciliation Processes and Reports		
5.8.2.5.1	Reconciliations		
5.8.2.5.2	Accounting Reports		
5.8.3	Ad Hoc Reports and Requests		
5.8.3.1	Ad hoc Reports -	a) Standard: The ad hoc reports requested by the GTR shall be delivered within three (3) business days of request, unless otherwise agreed to by the GTR. AQL: within five (5) business days of request	
5.8.3.2	Ad Hoc Requests-		
5.8.3.2.1	For data not within the production environment, the Contractor shall provide rapid development programming to enable the Department to meet critical timeframes for reports and analytics. Delivery time of the assigned rapid development reports will be based on		

	complexity of programming and design; however, the contractor shall provide delivery ready reports within eight (8) hours of assignment by the GTR or their designate to the GTR and GTMs. Rapid development of reports will require close collaboration with HUD staff in order to meet the required timeframe. It is expected that rapid development of reports shall comprise approximately sixteen (16) dedicated hours per week, for a maximum of one thousand two hundred (1200) hours per contract year. Rapid development requirements are in addition to the normal programming requirements for proper site maintenance, report production, standard development, and other programming expertise needed to maintain all aspects of the website.		
5.8.3.2.2	For a function of the rapid development requirement, the		

	contractor shall dedicate a specific point of contact, a toll free number, and/ or email box that the GTR/GTM or their designee can utilize to achieve immediate collaboration and commence work effort due to the time constraints of the rapid development requirements. The point of contact shall confirm the start of the rapid development effort within one hour of receiving assignment, or sooner as needed.		
5.8.4	Utilization Report	a) The reports shall be available on the fifth (5th) business day of every month. AQL: No deviation.	
5.8.5	Quality of Service Report		
5.8.5.1	The Contractor shall provide a quantitative report of the quality of service of the website and website applications, to include historical comparables. The reports shall include, at a minimum, the ability to track trends in website		

	performance by users; sort and summarize calculations by type and/or category and other performance metric capabilities. The report shall be loaded and available on the website system by the fifth (5th) business day of each month, or as requested by the GTR.		
5.8.5.2	The Contractor shall provide a monthly report consisting of the numbers and types of inquiries received. The Contractor's phone help shall have on-line, read-only access to BSP data to facilitate responses to callers.		
5.8.5.3	The Contractor shall provide a monthly report consisting of the numbers and types of inquiries received for each business function of the PWS.		

Statements		**Standards/AQLs**	**Disincentive/Remedy**
5.9	Development/Testing Environment	a) The Contractor shall provide a development/test environment that is mimic and logically isolated from the production environment within ninety (90) calendar days from the effective date of the contract and notify the GTR and GTM when complete. AQL: within one hundred and twenty	

	(120) calendar days from the effective date of the contract.	

Statements	Standards/AQLs	Disincentive/Remedy
5.10 Training		
5.10.1 Formal / On-Site Training		
5.10.2 Web Training and Desk Reference Materials	a) Standard: The Contractor shall submit an initial Desk Reference Manual within thirty (30) calendar days from conversion acceptance. AQL: within forty-five (45) calendar days from conversion acceptance. b) Standard: The Contractor shall submit Help Desk Procedures and frequently asked questions (FAQ) no later than ninety (90) days from the effective date of the contract. AQL: within one hundred and twenty (120) calendar days from conversion acceptance.	

Statements	Standards/AQLs	Incentive/Remedy
5.11 System Documentations	a) The Contractor shall develop and deliver online Technical Manual, Training, User Manuals, Functional Requirement Documentation, Internal Control Document, Source Code, Desk Reference and Quick Reference Guide within one hundred twenty (120) calendar days from the effective date of the contract. AQL: within one hundred fifty (150) calendar days from the effective date of the contract.	

Statements	Standards/AQLs	Disincentive/Remedy
5.12 Transition Out at End		

	of the Contract Period		
5.12.1	Phase Out Staffing		
5.12.2	Phase Out Costs (if applicable) -		
5.12.3	Successor Training		
5.12.4	Business Service Providers and Documentation Transfer		

SECTION D - Packaging and Marking

1. PAYMENT OF POSTAGE AND SHIPPING COSTS

All postage and shipping costs related to the submission of the information (including reports and forms) required by this contract shall be paid for by the Contractor.

2. MARKING

All information submitted to the Contracting Officer, GTR, and GTM shall clearly indicate the contract number for which the information is being submitted.

3. REPORT FORMAT

All reports shall be delivered to the GTR in .PDF format.

SECTION E - Inspection and Acceptance

2452.246-70 INSPECTION AND ACCEPTANCE. (FEB 2006)

Inspection and acceptance of all work required under this contract shall be performed by the Government Technical Representative (GTR) or other individual as designated by the Contracting Officer or the GTR.

SECTION F - Deliveries or Performance

52.242-15 STOP-WORK ORDER. (AUG 1989)

52.242-17 GOVERNMENT DELAY OF WORK. (APR 1984)

SECTION G - Contract Administration Data

2452.232-70 PAYMENT SCHEDULE AND INVOICE SUBMISSION (FIXED-PRICE). (DEC 2012) Alternate II

(a) *Payment Schedule*. Payment of the contract price (see Section B of the contract) will be made upon completion and acceptance of all work unless a partial payment schedule is included below:

CLIN 0001 will be paid upon completion and acceptance of tasks described under sections 5.1.1 through 5.1.1.1.10.

CLIN 0002 will be paid upon completion and acceptance of asks described under sections 5.1.2 through 5.1.2.2.

CLINS 0003, 0015, 0027, 0039, and 0051 will be paid upon completion and acceptance of the monthly reports described under sections 5.8.2.1 through 5.8.2.1.7.

CLINS 0004, 0016, 0028, 0040, and 0052 will be paid upon completion and acceptance of the monthly reports described under section 5.8.2.2.

CLINS 0005, 0017, 0029, 0041, and 0053 will be paid upon completion and acceptance of the monthly reports described under section 5.8.2.3.

CLINS 0006, 0018, 0030, 0042 and 0054 will be paid upon completion and acceptance of the monthly reports described under sections 5.8.2.5 through 5.8.2.5.2.

CLINS 0007, 0019, 0031, 0043, and 0055 will be paid upon completion and acceptance of the monthly reports described under sections 5.8.2.4 through 5.8.2.4.7.

CLINS 0008, 0020, 0032, 0044 and 0056 will be paid monthly per ad hoc report delivered and accepted as described under section 5.8.3 through 5.8.3.2.

CLINS 0009, 0021, 0033, 0045, and 0057 will be paid upon completion and acceptance of the monthly audit logs as described is section 5.9.1.

CLINS 0010, 0022, 0034, 0046, and 0058 will be paid upon completion and acceptance of the Development and Testing environment.

CLINS 0011, 0023, 0035, 0047, and 0059 will be paid upon the completion and acceptance of each class as described in section 5.11 through 5.11.1.

CLINS 0012, 0024, 0036, 0048, and 0060 will be paid upon completion and acceptance

of each system document described in section 5.12.

CLINS 0013, 0025, 0037, 0049, and 0061 will be paid upon the completion and acceptance of the tasks described in section 5.13 through 5.13.5.

CLINS 0014, 0026, 0038, 0050, 0062 will be paid in accordance with section 1.11.

(b) Submission of Invoices. (1) The Contractor shall submit invoices as follows: contractors will be required to electronically submit invoices, delivery documentation and track invoices through Treasury's Invoice Processing Platform. To constitute a proper invoice, the invoice must include all items required by the FAR clause at 52.232-25, "Prompt Payment."

(2) To assist the government in making timely payments, the contractor is also requested to include on each invoice the appropriation number shown on the contract award document (e.g., block 14 of the Standard Form (SF) 26, block 21 of the SF-33, or block 25 of the SF-1449). The contractor is also requested to clearly indicate on the mailing envelope that an invoice is enclosed.

(c) *Contractor remittance information.* The contractor shall provide the payment office with all information required by other payment clauses or other supplemental information (e.g.,contracts for commercial services) contained in this contract.

(d) *Final invoice payment.* The final invoice will not be paid prior to certification by the Contracting Officer that all work has been completed and accepted.

SECTION H - Special Contract Requirements

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Section I

FAR Clauses Incorporated by Reference:
52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Apr 2014)
52.204-4 Printed or Copied Double-Sided on Postconsumer Fiber Content Paper. (May 2011)
52.204-13 System for Award Management Maintenance. (Jul 2013)
52.209-10 Prohibition on Contracting with Inverted Domestic Corporations. (Nov 2015)
52.212-4 Contract Terms and Conditions—Commercial Items. (May 2015)
52.227-14 Rights in Data—General. (May 2014)
52.227-15 Representation of Limited Rights Data and Restricted Computer Software.(Dec 2007)
52.232-40 Providing Accelerated Payments to Small Business Subcontractors. (Dec 2013)

FAR Clauses Full Text:
52.212-5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items. (Jun 2016)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:
(1) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (Nov 2015)
(2) 52.233-3, Protest After Award (Aug 1996) (31 U.S.C. 3553).
(3) 52.233-4, Applicable Law for Breach of Contract Claim (Oct 2004)(Public Laws 108-77 and 108-78 (19 U.S.C. 3805 note)).
(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [Contracting Officer check as appropriate.]

_X_ (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) (41 U.S.C. 4704 and 10 U.S.C. 2402).
__ (2) 52.203-13, Contractor Code of Business Ethics and Conduct (Oct 2015) (41 U.S.C. 3509)).
__ (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (June 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)
_X_ (4) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Oct 2015) (Pub. L. 109-282) (31 U.S.C. 6101 note).
__ (5) [Reserved].

_x_ (6) 52.204-14, Service Contract Reporting Requirements (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).
__ (7) 52.204-15, Service Contract Reporting Requirements for Indefinite-Delivery Contracts (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).
_X (8) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (Oct 2015) (31 U.S.C. 6101 note).
_X_ (9) 52.209-9, Updates of Publicly Available Information Regarding Responsibility Matters (Jul 2013) (41 U.S.C. 2313).
__ (10) [Reserved].
__ (11)(i) 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award (Nov 2011) (15 U.S.C. 657a).
__ (ii) Alternate I (Nov 2011) of 52.219-3.
_X_ (12)(i) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Oct 2014) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).
__ (ii) Alternate I (Jan 2011) of 52.219-4.
__ (13) [Reserved]
__ (14)(i) 52.219-6, Notice of Total Small Business Set-Aside (Nov 2011) (15 U.S.C. 644).
__ (ii) Alternate I (Nov 2011).
__ (iii) Alternate II (Nov 2011).
_X_ (15)(i) 52.219-7, Notice of Partial Small Business Set-Aside (June 2003) (15 U.S.C. 644).
__ (ii) Alternate I (Oct 1995) of 52.219-7.
__ (iii) Alternate II (Mar 2004) of 52.219-7.
_X_ (16) 52.219-8, Utilization of Small Business Concerns (Oct 2014) (15 U.S.C. 637(d)(2) and (3)).
__ (17)(i) 52.219-9, Small Business Subcontracting Plan (Oct 2015) (15 U.S.C. 637(d)(4)).
__ (ii) Alternate I (Oct 2001) of 52.219-9.
__ (iii) Alternate II (Oct 2001) of 52.219-9.
__ (iv) Alternate III (Oct 2015) of 52.219-9.
__ (18) 52.219-13, Notice of Set-Aside of Orders (Nov 2011) (15 U.S.C. 644(r)).
_X_ (19) 52.219-14, Limitations on Subcontracting (Nov 2011) (15 U.S.C. 637(a)(14)).
_X_ (20) 52.219-16, Liquidated Damages—Subcon-tracting Plan (Jan 1999) (15 U.S.C. 637(d)(4)(F)(i)).
__ (21) 52.219-27, Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov 2011) (15 U.S.C. 657 f).
_X_ (22) 52.219-28, Post Award Small Business Program Rerepresentation (Jul 2013) (15 U.S.C. 632(a)(2)).
__ (23) 52.219-29, Notice of Set-Aside for, or Sole Source Award to, Economically Disadvantaged Women-Owned Small Business Concerns (Dec 2015) (15 U.S.C. 637(m)).
__ (24) 52.219-30, Notice of Set-Aside for, or Sole Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Dec 2015) (15 U.S.C. 637(m)).
_X_ (25) 52.222-3, Convict Labor (June 2003) (E.O. 11755).

__ (26) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (Feb 2016) (E.O. 13126).
_X_ (27) 52.222-21, Prohibition of Segregated Facilities (Apr 2015).
_X_ (28) 52.222-26, Equal Opportunity (Apr 2015) (E.O. 11246).
_X_ (29) 52.222-35, Equal Opportunity for Veterans (Oct 2015)(38 U.S.C. 4212).
_X_ (30) 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
_X_ (31) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212).
__ (32) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496).
_X_ (33)(i) 52.222-50, Combating Trafficking in Persons (Mar 2015) (22 U.S.C. chapter 78 and E.O. 13627).
__ (ii) Alternate I (Mar 2015) of 52.222-50 (22 U.S.C. chapter 78 and E.O. 13627).
_X_ (34) 52.222-54, Employment Eligibility Verification (Oct 2015). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)
__ (35)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA–Designated Items (May 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
__ (ii) Alternate I (May 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)). (Not applicable to the acquisition of commercially available off-the-shelf items.)
__ (36) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (Jun 2016) (E.O. 13693).
__ (37) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (Jun 2016) (E.O. 13693).
__ (38)(i) 52.223-13, Acquisition of EPEAT®-Registered Imaging Equipment (Jun 2014) (E.O.s 13423 and 13514).
__ (ii) Alternate I (Oct 2015) of 52.223-13.
__ (39)(i) 52.223-14, Acquisition of EPEAT®-Registered Televisions (Jun 2014) (E.O.s 13423 and 13514).
__ (ii) Alternate I (Jun 2014) of 52.223-14.
__ (40) 52.223-15, Energy Efficiency in Energy-Consuming Products (Dec 2007) (42 U.S.C. 8259b).
__ (41)(i) 52.223-16, Acquisition of EPEAT®-Registered Personal Computer Products (Oct 2015) (E.O.s 13423 and 13514).
__ (ii) Alternate I (Jun 2014) of 52.223-16.
_X_ (42) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging While Driving (Aug 2011) (E.O. 13513).
__ (43) 52.223-20, Aerosols (Jun 2016) (E.O. 13693).
__ (44) 52.223-21, Foams (Jun 2016) (E.O. 13693).
__ (45) 52.225-1, Buy American—Supplies (May 2014) (41 U.S.C. chapter 83).
__ (46)(i) 52.225-3, Buy American—Free Trade Agreements—Israeli Trade Act (May 2014) (41 U.S.C. chapter 83, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, 19 U.S.C. 4001 note, Pub. L. 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138,

112-41, 112-42, and 112-43.
__ (ii) Alternate I (May 2014) of 52.225-3.
__ (iii) Alternate II (May 2014) of 52.225-3.
__ (iv) Alternate III (May 2014) of 52.225-3.
__ (47) 52.225-5, Trade Agreements (Feb 2016) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).
_X_ (48) 52.225-13, Restrictions on Certain Foreign Purchases (June 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
__ (49) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
__ (50) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (Nov 2007) (42 U.S.C. 5150).
__ (51) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) (42 U.S.C. 5150).
__ (52) 52.232-29, Terms for Financing of Purchases of Commercial Items (Feb 2002) (41 U.S.C. 4505, 10 U.S.C. 2307(f)).
__ (53) 52.232-30, Installment Payments for Commercial Items (Oct 1995) (41 U.S.C. 4505, 10 U.S.C. 2307(f)).
_X_ (54) 52.232-33, Payment by Electronic Funds Transfer—System for Award Management (Jul 2013) (31 U.S.C. 3332).
__ (55) 52.232-34, Payment by Electronic Funds Transfer—Other than System for Award Management (Jul 2013) (31 U.S.C. 3332).
__ (56) 52.232-36, Payment by Third Party (May 2014) (31 U.S.C. 3332).
_X_ (57) 52.239-1, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).
__ (58)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631).
__ (ii) Alternate I (Apr 2003) of 52.247-64.
(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:
[Contracting Officer check as appropriate.]
__ (1) 52.222-17, Nondisplacement of Qualified Workers (May 2014)(E.O. 13495).
_X_ (2) 52.222-41, Service Contract Labor Standards (May 2014) (41 U.S.C. chapter 67).
_X_ (3) 52.222-42, Statement of Equivalent Rates for Federal Hires (May 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).
_X_ (4) 52.222-43, Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment (Multiple Year and Option Contracts) (May 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).
__ (5) 52.222-44, Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (May 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).
__ (6) 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair

of Certain Equipment—Requirements (May 2014) (41 U.S.C. chapter 67).
__ (7) 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements (May 2014) (41 U.S.C. chapter 67).
_X_ (8) 52.222-55, Minimum Wages Under Executive Order 13658 (Dec 2015).
__ (9) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (May 2014) (42 U.S.C. 1792).
__ (10) 52.237-11, Accepting and Dispensing of $1 Coin (Sept 2008) (31 U.S.C. 5112(p)(1)).
(d) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records—Negotiation.
(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor’s directly pertinent records involving transactions related to this contract.
(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.
(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.
(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—
(i) 52.203-13, Contractor Code of Business Ethics and Conduct (Oct 2015) (41 U.S.C. 3509).
(ii) 52.219-8, Utilization of Small Business Concerns (Oct 2014) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds $700,000 ($1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
(iii) 52.222-17, Nondisplacement of Qualified Workers (May 2014) (E.O. 13495). Flow down required in accordance with paragraph (l) of FAR

clause 52.222-17.
(iv) 52.222-21, Prohibition of Segregated Facilities (Apr 2015)
(v) 52.222-26, Equal Opportunity (Apr 2015) (E.O. 11246).
(vi) 52.222-35, Equal Opportunity for Veterans (Oct 2015) (38 U.S.C. 4212).
(vii) 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
(viii) 52.222-37, Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212)
(ix) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.
(x) 52.222-41, Service Contract Labor Standards (May 2014) (41 U.S.C. chapter 67).
(xi)
52.222-50, Combating Trafficking in Persons (Mar 2015) (22 U.S.C. chapter 78 and E.O 13627). Alternate I (Mar 2015) of 52.222-50 (22 U.S.C. chapter 78 and E.O 13627).
(xii) 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (May 2014) (41 U.S.C. chapter 67).
(xiii) 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements (May 2014) (41 U.S.C. chapter 67).
(xiv) 52.222-54, Employment Eligibility Verification (Oct 2015) (E.O. 12989).
(xv) 52.222-55, Minimum Wages Under Executive Order 13658 (Dec 2015).
(xvi) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
(xvii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (May 2014) (42 U.S.C. 1792). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.
(xviii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.
(2) While not required, the Contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

52.217-8 -- Option to Extend Services (Nov 1999)
The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor no later than 10 days prior to the expiration of the contract.

52.217-9 -- Option to Extend the Term of the Contract (Mar 2000)
(a) The Government may extend the term of this contract by written notice to the Contractor no later than 30 days prior to the expiration of the contract; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.
(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.
(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed the period of time set in the Schedule except that extensions pursuant to FAR
52.217-8 permit the duration to extend up to 6 months beyond the stated limit.

52.219-18 Notification of Competition Limited to Eligible 8(a) Concerns. (June 2003)

(a) Offers are solicited only from small business concerns expressly certified by the Small Business Administration (SBA) for participation in the SBA’s 8(a) Program and which meet the following criteria at the time of submission of offer—
(1) The Offeror is in conformance with the 8(a) support limitation set forth in its approved business plan; and
(2) The Offeror is in conformance with the Business Activity Targets set forth in its approved business plan or any remedial action directed by the SBA.
(b) By submission of its offer, the Offeror represents that it meets all of the criteria set forth in paragraph (a) of this clause.
(c) Any award resulting from this solicitation will be made to the Small Business Administration, which will subcontract performance to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation.
(d)(1) Agreement. A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed $25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.
(2) The _____ [insert name of SBA's contractor] will notify the _____ [insert name of contracting agency] Contracting Officer in writing immediately upon entering an agreement (either oral or written) to transfer all or part of its stock or other ownership interest to any other party.

52.252-2 Clauses Incorporated by Reference. (Feb 1998)
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at

this/these address(es): https://www.acquisition.gov/

HUDAR Clauses

2452.203-70 Prohibition Against the Use of Federal Employees. (FEB 2006)

In accordance with Federal Acquisition Regulation 3.601, contracts are not to be awarded to government employees or a business concern or other organization owned or substantially owned or controlled by one or more government employees. For the purposes of this contract, this prohibition against the use of government employees includes any work performed by the contractor or any of its employees, subcontractors, or consultants.

2452.204-70 Preservation of, and Access to, Contract Records (Tangible and Electronically Stored Information (ESI) Formats). (DEC 2012)

(a) For the purposes of this clause--

Contract records means information created or maintained by the contractor in the performance of the contract. Contract records include documents required to be retained in accordance with FAR 4.703 and other information generated or maintained by the contractor that is pertinent to the contract and its performance including, but not limited to: email and attachments, formal and informal correspondence, calendars, notes, reports, memoranda, spreadsheets, tables, telephone logs, forms, survey, books, papers, photographs, drawings, machine-readable materials, and data. Contract records may be maintained as electronically stored information or as tangible materials. Contract records may exist in either final or any interim version (e.g., drafts that have been circulated for official purposes and contain unique information, such as notes, edits, comments, or highlighting). Contract records may be located or stored on the contractor's premises or at off-site locations.

Electronically stored information (ESI) means any contract records that are stored on, or generated by, an electronic device, or contained in electronically accessible media, either owned by the contractor, subcontractor(s), or employees of the contractor or subcontractor(s) regardless of the physical location of the device or media (e.g., offsite servers or data storage).

ESI devices and media include, but are not be limited to:

(1) Computers (mainframe, desktop, and laptop);

(2) Network servers, including shared and personal drives;

(3) Individual email accounts of the contractor's principals, officers, and employees, including all folders contained in each email account such as "inbox," "outbox," "drafts," "sent," "trash," "archive," and any other folders;

(4) Personal data assistants (PDAs);

(5) External data storage devices including portable devices (e.g., flash drive); and

(6) Data storage media (magnetic, e.g., tape; optical, e.g., compact disc, microfilm, etc.).

Tangible materials means contract records that exist in a physical (i.e.,

non-electronic) state.
(b) If during the period of performance of this contract, HUD becomes, or anticipates becoming, a party to any litigation concerning matters related to records maintained or generated by the Contractor in the performance of this contract, the Contracting Officer may provide the contractor with a written (either hardcopy or email) preservation hold notice and certification of compliance with the preservation hold notice. Upon receipt of the hold notice, the Contractor shall immediately take the following actions--
(1) Discontinue any alteration, overwriting, deletion, or destruction of all tangible materials and ESI.
(2) Preserve tangible materials and ESI. The contractor shall preserve ESI in its "native" form to preserve metadata (i.e., creation and modification history of a document).
(3) Identify all individuals who possess or may possess tangible materials and ESI related to this matter, including contractor employees, subcontractors, and subcontractor employees. The contractor shall provide the names of all such individuals via email to the HUD official indicated in the notice.
(4) Document in writing the contractor's efforts to preserve tangible materials and ESI. It may be useful to maintain a log documenting preservation efforts.
(5) Complete the certification of compliance with the preservation hold notice upon receipt and return it to the identified contact person; and
(6) Upon the request of the Contracting Officer, provide the Contracting Officer or other HUD official designated by the Contracting Officer with any of the information described in this clause. The contractor shall immediately confirm receipt of such request. The contractor shall describe in detail any records that the contractor knows or believes to be unavailable and provide a detailed explanation of why they are unavailable, and if known, their location.
(c)(1) If any request for records pursuant to paragraph (b)(6) of this clause causes an increase in the estimated cost or price or the time required for performance of any part of the work under this contract, or otherwise affects any other terms and conditions of this contract, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.
(2) The Contractor must assert its right to an adjustment under this clause within ___ [Contracting Officer insert period; 30 days if no other period inserted] from the date of receipt of the Contracting Officer's request made pursuant to paragraph (b)(6) of this clause. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a request submitted before final payment of the contract.
(3) Failure to agree to any adjustment shall be a dispute under the "Disputes" clause of this contract. However, nothing in this clause shall excuse the contractor from providing the records requested by the Contracting Officer.
(e) The Contractor shall include this clause in all subcontracts.

2452.209-72 Organizational Conflicts of Interest. (APR 1984)

(a) The Contractor warrants that to the best of its knowledge and belief, and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a Government contract and a Contractor's organizational, financial, contractual or other interests are such that:
(1) Award of the contract may result in an unfair competitive advantage; or
(2) The Contractor's objectivity in performing the contract work is or might be otherwise may be impaired.
(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The Government may, however, terminate the contract for the convenience of the Government if it would be in the best interest of the Government.
(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the Government may terminate the contract for default.
(d) The provisions of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

2452.222-70 Accessibility of meetings, conferences, and seminars to persons with disabilities. (FEB 2006)

The contractor shall assure that any meeting, conference, or seminar held pursuant to the contract meets all applicable standards for accessibility to persons with disabilities pursuant to Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and any implementing regulations of the Department. The contractor shall be responsible for ascertaining the specific accessibility needs (e.g., sign language interpreters) for each meeting, conference, or seminar in light of the known or anticipated attendees.

2452.237-70 Key Personnel. (FEB 2006)

(a) Definition. "Personnel" means employees of the contractor, or any subcontractor(s), affiliates, joint venture partners, or team members, and consultants engaged by any of those entities.

(b) The personnel specified below are considered to be essential to the work being performed under this contract. Prior to diverting any of the specified individuals to other projects, the contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail

to permit evaluation of the impact on the program. No diversion shall be made by the contractor without the written consent of the Contracting Officer. Key personnel shall perform as follows:

Key Personnel	Position	Hours Committed

2452.237-73 Conduct of Work and Technical Guidance. (MAR 2016)

(a) The Contracting Officer will provide the contractor with the name and contact information of the Government Technical Representative (GTR) assigned to this contract. The GTR will serve as the contractor’s liaison with the Contracting Officer with regard to the conduct of work. The Contracting Officer will notify the contractor in writing of any change to the current GTR’s status or the designation of a successor GTR.

(b) The GTR for liaison with the contractor as to the conduct of work is [to be inserted at time of award] or a successor designated by the Contracting Officer. The Contracting Officer will notify the contractor in writing of any change to the current GTR’s status or the designation of a successor GTR.

(c) The GTR will provide guidance to the contractor on the technical performance of the contract. Such guidance shall not be of a nature which:

(1) Causes the contractor to perform work outside the statement of work or specifications of the contract;

(2) Constitutes a change as defined in FAR 52.243 1;

(3) Causes an increase or decrease in the cost of the contract;

(4) Alters the period of performance or delivery dates; or

(5) Changes any of the other express terms or conditions of the contract.

(d) The GTR will issue technical guidance in writing or, if issued orally, he/she will confirm such direction in writing within five calendar days after oral issuance. The GTR may issue such guidance via telephone, facsimile (fax), or electronic mail.

(e) Other specific limitations [to be inserted by Contracting Officer]:

(f) The contractor shall promptly notify the Contracting Officer whenever the contractor believes that guidance provided by any government personnel, whether or not specifically provided pursuant to

this clause, is of a nature described in paragraph (b) above.

2452.237-79 Post award conference Alternate I (MAR 2016)

The conference will be conducted via telephone. The Contracting Officer or designee will provide the contractor with the date, time and contact information for the conference.

2452.239-70 Access to HUD Systems:(MAR 2016)

(a) Definitions: As used in this clause— ‘‘Access’’ means the ability to obtain, view, read, modify, delete, and/or otherwise make use of information resources.

‘‘Application’’ means the use of information resources (information and information technology) to satisfy a specific set of user requirements (see OMB Circular A–130).

‘‘Contractor employee’’ means an employee of the prime contractor or of any subcontractor, affiliate, partner, joint venture, or team members with which the contractor is associated. It also includes consultants engaged by any of those entities.

‘‘Mission-critical system’’ means an information technology or telecommunications system used or operated by HUD or by a HUD contractor, or organization on behalf of HUD, that processes any information, the loss, misuse, disclosure, or unauthorized access to, or modification of which would have a debilitating impact on the mission of the agency.

‘‘NACI’’ means a National Agency Check with Inquiries, the minimum background investigation prescribed by OPM.

‘‘PIV Card’’ means the Personal Identity Verification (PIV) Card, the Federal Government-issued identification credential (i.e., identification badge).

‘‘Sensitive information’’ means any information of which the loss, misuse, or unauthorized access to, or modification of, could adversely affect the national interest, the conduct of federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense or foreign policy.

‘‘System’’ means an interconnected set of information resources under the same direct management control, which shares common functionality. A system normally includes hardware, software, information, data, applications, communications, and people (see OMB Circular A–130). System includes any system owned by HUD or owned and operated on HUD’s behalf by another party.

(b) General. (1) The performance of this contract requires contractor employees to have access to a HUD system or systems. All such employees who do not already possess a current PIV Card acceptable to HUD shall be required to provide personal background information, undergo a background investigation (NACI or other OPM-required or approved investigation), including an FBI National Criminal History Fingerprint Check, and obtain a PIV Card prior to being permitted access to any such system in performance of this contract. HUD may accept a PIV Card issued by another Federal Government agency but shall not be required to do so. No contractor employee will be permitted access to any HUD system without a PIV Card.

(2) All contractor employees who require access to mission-critical systems or sensitive information contained within a HUD system or application(s) are required to have a more extensive background investigation. The investigation shall be commensurate with the risk and security controls involved in managing, using, or operating the system or applications(s).

(c) Citizenship-related requirements. Each affected contractor employee as described in paragraph (b) of this clause shall be:

(1) A United States (U.S.) citizen; or,

(2) A national of the United States (see 8 U.S.C. 1408); or,

(3) An alien lawfully admitted into, and lawfully permitted to be employed in the United States, provided that for any such individual, the Government is able to obtain sufficient background information to complete the investigation as required by this clause. Failure on the part of the contractor to provide sufficient information to perform a required investigation or the inability of the Government to verify information provided for affected contractor employees will result in denial of their access.

(d) Background investigation process. (1) The Government Technical Representative (GTR) shall notify the contractor of those contractor employee positions requiring background investigations.

(i) For each contractor employee requiring access to HUD information systems, the contractor shall submit the following properly completed forms: Standard Form (SF) 85, ‘‘Questionnaire for Non-Sensitive Positions,’’ FD 258 (Fingerprint Chart), and a partial Optional Form (OF) 306 (Items 1, 2, 6, 8–13, 16, and 17).

(ii) For each contractor employee requiring access to mission-critical systems and/or sensitive information contained within a HUD system and/or application(s), the contractor shall submit the following properly completed forms: SF–85P, ‘‘Questionnaire for Public Trust Positions;’’ FD

258; and a Fair Credit Reporting Act form (authorization for the credit-check portion of the investigation). Contractor employees shall not complete the Medical Release behind the SF–85P.

(iii) The SF–85, 85P, and OF–306 are available from OPM's Web site, http://www.opm.gov. The GTR will provide all other forms that are not obtainable via the Internet.

(2) The contractor shall deliver the forms and information required in paragraph (d)(1) of this clause to the GTR.

(3) Affected contractor employees who have had a federal background investigation without a subsequent break in federal employment or federal contract service exceeding 2 years may be exempt from the investigation requirements of this clause subject to verification of the previous investigation. For each such employee, the contractor shall submit the following information in lieu of the forms and information listed in paragraph (d)(1) of this clause: employee's full name, Social Security number, and place and date of birth.

(4) The investigation process shall consist of a range of personal background inquiries and contacts (written and personal) and verification of the information provided on the investigative forms described in paragraph (d)(1) of this clause.

(5) Upon completion of the investigation process, the GTR will notify the contractor if any contractor employee is determined to be unsuitable to have access to the system(s), application(s), or information. Such an employee may not be given access to those resources. If any such employee has already been given access pending the results of the background investigation, the contractor shall ensure that the employee's access is revoked immediately upon receipt of the GTR's notification.

(6) Failure of the GTR to notify the contractor (see subparagraph (d)(1)) of any employee who should be subject to the requirements of this clause and is known, or should reasonably be known, by the contractor to be subject to the requirements of this clause, shall not excuse the contractor from making such employee(s) known to the GTR. Any such employee who is identified and is working under the contract, without having had the appropriate background investigation or furnished the required forms for the investigation, shall cease to perform such work immediately and shall not be given access to the system(s)/application(s) described in paragraph (b) of this clause until the contractor has provided the investigative forms required in paragraph (d)(1) of this clause for the employee to the GTR.

(7) The contractor shall notify the GTR in writing whenever a contractor employee for whom a background investigation package was required and

submitted to HUD, or for whom a background investigation was completed, terminates employment with the contractor or otherwise is no longer performing work under this contract that requires access to the system(s), application(s), or information. The contractor shall provide a copy of the written notice to the Contracting Officer.

(e) PIV Cards. (1) HUD will issue a PIV Card to each contractor employee who is to be given access to HUD systems and does not already possess a PIV Card acceptable to HUD (see paragraph (b) of this clause). HUD will not issue the PIV Card until the contractor employee has successfully cleared an FBI National Criminal History Fingerprint Check, and HUD has initiated the background investigation for the contractor employee. Initiation is defined to mean that all background information required in paragraph (d)(1) of this clause has been delivered to HUD. The employee may not be given access prior to those two events. HUD may issue a PIV Card and grant access pending the completion of the background investigation. HUD will revoke the PIV Card and the employee’s access if the background investigation process (including adjudication of investigation results) for the employee has not been completed within 6 months after the issuance of the PIV Card.

(2) PIV Cards shall identify individuals as contractor employees. Contractor employees shall display their PIV Cards on their persons at all times while working in a HUD facility, and shall present cards for inspection upon request by HUD officials or HUD security personnel.

(3) The contractor shall be responsible for all PIV Cards issued to the contractor’s employees and shall immediately notify the GTR if any PIV Card(s) cannot be accounted for. The contractor shall promptly return PIV Cards to HUD as required by the FAR clause at 52.204–9. The contractor shall notify the GTR immediately whenever any contractor employee no longer has a need for his/her HUD-issued PIV Card (e.g., the employee terminates employment with the contractor, the employee’s duties no longer require access to HUD systems). The GTR will instruct the contractor as to how to return the PIV Card. Upon expiration of this contract, the GTR will instruct the contractor as to how to return all HUD-issued PIV Cards not previously returned. Unless otherwise directed by the Contracting Officer, the contractor shall not return PIV Cards to any person other than the GTR.

(f) Control of access. HUD shall have and exercise full and complete control over granting, denying, withholding, and terminating access of contractor employees to HUD systems. The GTR will notify the contractor immediately when HUD has determined that an employee is unsuitable or unfit to be permitted access to a HUD system. The contractor shall immediately notify such employee that he/she no longer has access to any HUD system, physically retrieve the employee’s PIV Card from the employee, and provide a suitable replacement employee in accordance with the requirements of this clause.

(g) Incident response notification. An incident is defined as an event, either accidental or deliberate, that results in unauthorized access, loss, disclosure, modification, or destruction of information technology systems, applications, or data. The contractor shall immediately notify the GTR and the Contracting Officer of any known or suspected incident, or any unauthorized disclosure of the information contained in the system(s) to which the contractor has access.

(h) Nondisclosure of information. (1) Neither the contractor nor any of its employees shall divulge or release data or information developed or obtained during performance of this contract, except to authorized government personnel with an established need to know, or upon written approval of the Contracting Officer. Information contained in all source documents and other media provided by HUD is the sole property of HUD.

(2) The contractor shall require that all employees who may have access to the system(s)/applications(s) identified in paragraph (b) of this clause sign a pledge of nondisclosure of information. The employees shall sign these pledges before they are permitted to perform work under this contract. The contractor shall maintain the signed pledges for a period of 3 years after final payment under this contract. The contractor shall provide a copy of these pledges to the GTR.

(i) Security procedures. (1) The Contractor shall comply with applicable federal and HUD statutes, regulations, policies, and procedures governing the security of the system(s) to which the contractor’s employees have access including, but not limited to:

(i) The Federal Information Security Management Act (FISMA) of 2002;

(ii) OMB Circular A–130, Management of Federal Information Resources, Appendix III, Security of Federal Automated Information Resources;

(iii) HUD Handbook 2400.25, Information Technology Security Policy;

(iv) HUD Handbook 732.3, Personnel Security/Suitability;

(v) Federal Information Processing Standards 201 (FIPS 201), Sections 2.1 and 2.2;

(vi) Homeland Security Presidential Directive 12 (HSPD–12); and

(vii) OMB Memorandum M–05–24, Implementing Guidance for HSPD–12. The HUD Handbooks are available online at: http://www.hud.gov/offices/adm/hudclips/ or from the GTR.

(2) The contractor shall develop and maintain a compliance matrix that

lists each requirement set forth in paragraphs, (b) through (h), (i)(1), and (m) of this clause with specific actions taken, and/or procedures implemented, to satisfy each requirement. The contractor shall identify an accountable person for each requirement, the date upon which actions/procedures were initiated/ completed, and certify that information contained in this compliance matrix is correct. The contractor shall ensure that information in this compliance matrix is complete, accurate, and up-to-date at all times for the duration of this contract. Upon request, the contractor shall provide copies of the current matrix to the Contracting Officer and/or government technical representative.

(3) The Contractor shall ensure that its employees, in performance of the contract, receive annual training (or once if the contract is for less than one year) in HUD information technology security policies, procedures, computer ethics, and best practices in accordance with HUD Handbook 2400.25.

(j) Access to contractor’s systems. The Contractor shall afford authorized personnel, including the Office of Inspector General, access to the Contractor’s facilities, installations, operations, documentation (including the compliance matrix required under paragraph (i)(2) of this clause), databases, and personnel used in performance of the contract. Access shall be provided to the extent required to carry out, but not limited to, any information security program activities, investigation, and audit to safeguard against threats and hazards to the integrity, availability, and confidentiality of HUD data and systems, or to the function of information systems operated on behalf of HUD, and to preserve evidence of computer crime.

(k) Contractor compliance with this clause. Failure on the part of the contractor to comply with the terms of this clause may result in termination of this contract for default.

(l) Physical access to Federal Government facilities. The contractor and any subcontractor(s) shall also comply with the requirements of HUDAR clause 2452.237–75 when the contractor’s or subcontractor’s employees will perform any work under this contract on site in a HUD or other Federal Government facility.

(m) Subcontracts. The contractor shall incorporate this clause in all subcontracts where the requirements specified in paragraph (b) of this section are applicable to performance of the subcontract.

2452.239-71 Information Technology Virus Security.(FEB 2006)

(a) The contractor hereby agrees to make every reasonable effort to deliver information technology products to HUD free of known computer viruses. The contractor shall be responsible for examining all such products prior to their delivery to HUD using software tools and

processes capable of detecting all known viruses.

(b) The contractor shall include the following statement on deliveries of hardware, software, and data products, including diskettes, made under this contract:

[product description, part/catalog number, other identifier, and serial number, if any]

This product has been scanned for known viruses using [name of virus-screening product, including version number, if any] and is certified to be free of known viruses at the time of delivery."

(c) The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from the contractor's failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this contract.

(d) This clause shall not limit the rights of the government under any other clause of this contract.

2452.244-70 Consent to subcontract. (Mar 2016)

(a) Due to the substantive nature of subcontracting that may be necessary during performance of this contract, the Contracting Officer has determined that a consent for individual subcontracts is required to adequately protect the Government. Consent is required for –

(1) Cost-reimbursement, time-and- materials, or labor-hour subcontracts, or combination of such, in excess of $150,000 per year to a single subcontractor or consultant;

(2) Fixed price subcontracts in excess of 25% of the annual contract value to a single subcontractor or consultant.

(b) If subcontracts meeting the above parameters were not provided during the negotiation of the original contract award, the Contractor shall obtain post award consent and provide signed copies of the subcontract agreements within 10 days of consent.

(c) The Contractor shall provide the Contracting Officer with 30 days advance notification prior to changing subcontractors or existing subcontracting agreements, unless precluded due to circumstances beyond the control of the contractor. If advance notification is not feasible, the Contractor shall provide notification to the Contracting Officer no later than 10 days after the Contractor identifies the need to replace a subcontractor. The notification shall include a copy of the proposed new subcontracting agreement. Upon consent and finalization of the final subcontract agreement, the Contractor shall

provide a copy of the signed agreement to the Contracting Officer.

(d) The Contracting Officer’s consent to a subcontract does not constitute a determination of the acceptability of the subcontract terms or price, or of the allowability of costs.

(e) If not required elsewhere in the contract, no more than 30 calendar days after award, the Contractor shall provide a separate continuity of services plan to the Contracting Officer that will ensure services performed by subcontractors that cost more than 25% of the cost/price of the contract will continue uninterrupted in the event of performance problems or default by the subcontractor.

2452.251-70 Contractor Employee Travel.(OCT 1999)

(a) To the maximum extent practical, the Contractor shall make use of travel discounts which are available to Federal employees while traveling in the conduct of official Government business. Such discounts may include, but are not limited to, lodging and rental car rates.

(b) The Contractor shall be responsible for obtaining and/or providing to his/her employees written evidence of their status with regard to their performance of Government contract work needed to obtain such discounts.

SECTION J - List of Documents, Exhibits and Other Attachments

1. System Security, Privacy, and Authentication Requirements and Internal Control Reviews.

2. Loss Mitigation Program Overview

3. Functional Requirements Documentation SMART-Baseline

4. 2012 Code Changes to EVERS

5. EVERS Functional Requirements Version 10-041420

6. Quality Assurance and Surveillance Plan

7. Wage Determination 2005-2431, Revision 21, Dated 12/29/2015

8. Pricing Documentation (solicitation only)

9. Past Performance Survey (solicitation only)

10. Past Performance (solicitation only)

11. Non-Disclosure Statement (solicitation only)

SECTION K - Representations, Certifications, and Other Statements of Bidders

52.209-2 PROHIBITION ON CONTRACTING WITH INVERTED DOMESTIC CORPORATIONS—Representation. (Nov 2015)

52.204-16 COMMERCIAL AND GOVERNMENT ENTITY CODE REPORTING. (Jul 2015)

52.204-17 OWNERSHIP OR CONTROL OF OFFEROR. (Nov 2014)

52.204-19 INCORPORATION BY REFERENCE of REPERENTATIONS AND CERTIFICATIONS. (Dec 2014)

52.204-20 PREDICESSOR OF OFFEROR. (Jul 2016)

(a) Definitions. As used in this provision–
"Commercial and Government Entity (CAGE) code" means–
(1) An identifier assigned to entities located in the United States or its outlying areas by the Defense Logistics Agency (DLA) Commercial and Government Entity (CAGE) Branch to identify a commercial or government entity; or
(2) An identifier assigned by a member of the North Atlantic Treaty Organization (NATO) or by the NATO Support and Procurement Agency (NSPA) to entities located outside the United States and its outlying areas that the DLA Commercial and Government Entity (CAGE) Branch records and maintains in the CAGE master file. This type of code is known as a NATO CAGE (NCAGE) code.
"Predecessor" means an entity that is replaced by a successor and includes any predecessors of the predecessor.
"Successor" means an entity that has replaced a predecessor by acquiring the assets and carrying out the affairs of the predecessor under a new name (often through acquisition or merger). The term "successor" does not include new offices/divisions of the same company or a company that only changes its name. The extent of the responsibility of the successor for the liabilities of the predecessor may vary, depending on State law and specific circumstances.
(b) The Offeror represents that it □ is or □ is not a successor to a predecessor that held a Federal contract or grant within the last three years.
(c) If the Offeror has indicated "is" in paragraph (b) of this provision, enter the following information for all predecessors that held a Federal contract or grant within the last three years (if more than one predecessor, list in reverse chronological order):
Predecessor CAGE code: _____ (or mark "Unknown")
Predecessor legal name: _____
(Do not use a "doing business as" name)

52.209-5 CERTIFICATION REGARDING RESPONSIBILITY MATTERS. (APR 2010)

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that-

(i) The Offeror and/or any of its Principals-

(A) Are [] are not [] presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have [] have not [], within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property (if offeror checks "have", the offeror shall also see 52.209-7, if included in this solicitation);

(C) Are [] are not [] presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision; and

(D) Have [], have not [], within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples. (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the

taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(ii) The Offeror has [] has not [], within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principal," for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

52.209-7 INFORMATION REGARDING RESPONSIBILITY MATTERS. (JUL 2013)

(a) Definitions. As used in this provision-

"Administrative proceeding" means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative Proceedings, Civilian Board of Contract Appeals Proceedings, and Armed Services Board of Contract Appeals Proceedings). This includes administrative proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include agency actions such as contract audits, site visits, corrective plans, or inspection of deliverables.

"Federal contracts and grants with total value greater than $10,000,000" means-

(1) The total value of all current, active contracts and grants, including all priced options; and

(2) The total value of all current, active orders including all priced options under indefinite-delivery, indefinite-quantity, 8(a), or requirements contracts (including task and delivery and multiple-award Schedules).

"Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

(b) The offeror [] has [] does not have current active Federal contracts and grants with total value greater than $10,000,000.

(c) If the offeror checked "has" in paragraph (b) of this provision, the offeror represents, by submission of this offer, that the information it has entered in the Federal Awardee Performance and Integrity Information System (FAPIIS) is current, accurate, and complete as of the date of submission of this offer with regard to the following information:

(1) Whether the offeror, and/or any of its principals, has or has not, within the last five years, in connection with the award to or performance by the offeror of a Federal contract or grant, been the subject of a proceeding, at the Federal or State level that resulted in any of the following dispositions:

(i) In a criminal proceeding, a conviction.

(ii) In a civil proceeding, a finding of fault and liability that results in the payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more.

(iii) In an administrative proceeding, a finding of fault and liability that results in-

(A) The payment of a monetary fine or penalty of $5,000 or more; or

(B) The payment of a reimbursement, restitution, or damages in excess of $100,000.

(iv) In a criminal, civil, or administrative proceeding, a disposition of the matter by consent or compromise with an acknowledgment of fault by the Contractor if the proceeding could have led to any of the outcomes specified in paragraphs (c)(1)(i), (c)(1)(ii), or (c)(1)(iii) of this provision.

(2) If the offeror has been involved in the last five years in any of the occurrences listed in (c)(1) of this provision, whether the offeror has provided the requested information with regard to each occurrence.

(d) The offeror shall post the information in paragraphs (c)(1)(i) through (c)(1)(iv) of this provision in FAPIIS as required through maintaining an active registration in the System for Award Management database via *https://www.acquisition.gov* (see 52.204-7).

52.209-12 Certification Regarding Tax Matters. (Feb 2016)

(a) This provision implements section 523 of Division B of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts.
(b) If the Offeror is proposing a total contract price that will exceed $5,000,000 (including options), the Offeror shall certify that, to the best of its knowledge and belief, it
(1) Has □ filed all Federal tax returns required during the three years preceding the certification;
(2) Has not □ been convicted of a criminal offense under the Internal Revenue Code of 1986; and
(3) Has not □, more than 90 days prior to certification, been notified of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

52.212-3 -- Offeror Representations and Certifications -- Commercial Items. (Oct 2016)

The offeror shall complete only paragraphs (b) of this provision if the Offeror has completed the annual representations and certification electronically via the System for Award Management (SAM) Web site accessed through http://www.sam.gov/portal. If the Offeror has not completed the annual representations and certifications electronically, the Offeror shall complete only paragraphs (c) through (s) of this provision.

(a) Definitions. As used in this provision--

“Administrative merits determination” means certain notices or findings of labor law violations issued by an enforcement agency

following an investigation. An administrative merits determination may be final or be subject to appeal or further review. To determine whether a particular notice or finding is covered by this definition, it is necessary to consult section II.B. in the DOL Guidance.

“Arbitral award or decision” means an arbitrator or arbitral panel determination that a labor law violation occurred, or that enjoined or restrained a violation of labor law. It includes an award or decision that is not final or is subject to being confirmed, modified, or vacated by a court, and includes an award or decision resulting from private or confidential proceedings. To determine whether a particular award or decision is covered by this definition, it is necessary to consult section II.B. in the DOL Guidance.

“Civil judgment” means--

(1) In paragraph (h) of this provision: A judgment or finding of a civil offense by any court of competent jurisdiction.

(2) In paragraph (s) of this provision: Any judgment or order entered by any Federal or State court in which the court determined that a labor law violation occurred, or enjoined or restrained a violation of labor law. It includes a judgment or order that is not final or is subject to appeal. To determine whether a particular judgment or order is covered by this definition, it is necessary to consult section II.B. in the DOL Guidance.

“DOL Guidance” means the Department of Labor (DOL) Guidance entitled: “Guidance for Executive Order 13673, ‘Fair Pay and Safe Workplaces’ “. The DOL Guidance, dated August 25, 2016, can be obtained from www.dol.gov/fairpayandsafeworkplaces.

“Economically disadvantaged women-owned small business (EDWOSB) concern” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business eligible under the WOSB Program.

“Enforcement agency” means any agency granted authority to enforce the Federal labor laws. It includes the enforcement components of DOL (Wage and Hour Division, Office of Federal Contract Compliance Programs, and Occupational Safety and Health Administration), the Equal Employment Opportunity Commission, the Occupational Safety and Health Review Commission, and the National Labor Relations Board. It also means a State agency designated to administer an OSHA-approved State Plan, but only to the extent that the State agency is acting in its capacity as administrator of such plan. It does not include other Federal agencies which, in their capacity as contracting agencies, conduct investigations of potential labor law violations. The

enforcement agencies associated with each labor law under E.O. 13673 are--

(1) Department of Labor Wage and Hour Division (WHD) for--

(i) The Fair Labor Standards Act;

(ii) The Migrant and Seasonal Agricultural Worker Protection Act;

(iii) 40 U.S.C. chapter 31, subchapter IV, formerly known as the Davis-Bacon Act;

(iv) 41 U.S.C. chapter 67, formerly known as the Service Contract Act;

(v) The Family and Medical Leave Act; and

(vi) E.O. 13658 of February 12, 2014 (Establishing a Minimum Wage for Contractors);

(2) Department of Labor Occupational Safety and Health Administration (OSHA) for--

(i) The Occupational Safety and Health Act of 1970; and

(ii) OSHA-approved State Plans;

(3) Department of Labor Office of Federal Contract Compliance Programs (OFCCP) for--

(i) Section 503 of the Rehabilitation Act of 1973;

(ii) The Vietnam Era Veterans' Readjustment Assistance Act of 1972 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974; and

(iii) E.O. 11246 of September 24, 1965 (Equal Employment Opportunity);

(4) National Labor Relations Board (NLRB) for the National Labor Relations Act; and

(5) Equal Employment Opportunity Commission (EEOC) for--

(i) Title VII of the Civil Rights Act of 1964;

(ii) The Americans with Disabilities Act of 1990;

(iii) The Age Discrimination in Employment Act of 1967; and

(iv) Section 6(d) of the Fair Labor Standards Act (Equal Pay Act).

“Forced or indentured child labor” means all work or service—

(1) Exacted from any person under the age of 18 under the menace of

any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

“Highest-level owner” means the entity that owns or controls an immediate owner of the offeror, or that owns or controls one or more entities that control an immediate owner of the offeror. No entity owns or exercises control of the highest level owner.

“Immediate owner” means an entity, other than the offeror, that has direct control of the offeror. Indicators of control include, but are not limited to, one or more of the following: Ownership or interlocking management, identity of interests among family members, shared facilities and equipment, and the common use of employees.

“Inverted domestic corporation,” means a foreign incorporated entity that meets the definition of an inverted domestic corporation under 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c).

“Labor compliance agreement” means an agreement entered into between a contractor or subcontractor and an enforcement agency to address appropriate remedial measures, compliance assistance, steps to resolve issues to increase compliance with the labor laws, or other related matters.

“Labor laws” means the following labor laws and E.O.s:

(1) The Fair Labor Standards Act.

(2) The Occupational Safety and Health Act (OSHA) of 1970.

(3) The Migrant and Seasonal Agricultural Worker Protection Act.

(4) The National Labor Relations Act.

(5) 40 U.S.C. chapter 31, subchapter IV, formerly known as the Davis-Bacon Act.

(6) 41 U.S.C. chapter 67, formerly known as the Service Contract Act.

(7) E.O. 11246 of September 24, 1965 (Equal Employment Opportunity).

(8) Section 503 of the Rehabilitation Act of 1973.

(9) The Vietnam Era Veterans' Readjustment Assistance Act of 1972 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974.

(10) The Family and Medical Leave Act.

(11) Title VII of the Civil Rights Act of 1964.

(12) The Americans with Disabilities Act of 1990.

(13) The Age Discrimination in Employment Act of 1967.

(14) E.O. 13658 of February 12, 2014 (Establishing a Minimum Wage for Contractors).

(15) Equivalent State laws as defined in the DOL Guidance. (The only equivalent State laws implemented in the FAR are OSHA-approved State Plans, which can be found at www.osha.gov/dcsp/osp/approved_state_plans.html).

“Labor law decision” means an administrative merits determination, arbitral award or decision, or civil judgment, which resulted from a violation of one or more of the laws listed in the definition of “labor laws”.

“Manufactured end product” means any end product in product and service codes (PSCs) 1000-9999, except—

(1) PSC 5510, Lumber and Related Basic Wood Materials;

(2) Product or Service Group (PSG) 87, Agricultural Supplies;

(3) PSG 88, Live Animals;

(4) PSG 89, Subsistence;

(5) PSC 9410, Crude Grades of Plant Materials;

(6) PSC 9430, Miscellaneous Crude Animal Products, Inedible;

(7) PSC 9440, Miscellaneous Crude Agricultural and Forestry Products;

(8) PSC 9610, Ores;

(9) PSC 9620, Minerals, Natural and Synthetic; and

(10) PSC 9630, Additive Metal Materials.

“Place of manufacture” means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

“Predecessor” means an entity that is replaced by a successor and includes any predecessors of the predecessor.

“Restricted business operations” means business operations in Sudan

that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—

(1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;

(2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;

(3) Consist of providing goods or services to marginalized populations of Sudan;

(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;

(5) Consist of providing goods or services that are used only to promote health or education; or

(6) Have been voluntarily suspended.

Sensitive technology—

(1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically—

(i) To restrict the free flow of unbiased information in Iran; or

(ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and

(2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

“Service-disabled veteran-owned small business concern”—

(1) Means a small business concern—

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are

controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small business concern” means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and size standards in this solicitation.

“Small disadvantaged business concern, consistent with 13 CFR 124.1002,” means a small business concern under the size standard applicable to the acquisition, that--

(1) Is at least 51 percent unconditionally and directly owned (as defined at 13 CFR 124.105) by--

(i) One or more socially disadvantaged (as defined at 13 CFR 124.103) and economically disadvantaged (as defined at 13 CFR 124.104) individuals who are citizens of the United States; and

(ii) Each individual claiming economic disadvantage has a net worth not exceeding $750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(2) The management and daily business operations of which are controlled (as defined at 13.CFR 124.106) by individuals, who meet the criteria in paragraphs (1)(i) and (ii) of this definition.

“Subsidiary” means an entity in which more than 50 percent of the entity is owned—

(1) Directly by a parent corporation; or

(2) Through another subsidiary of a parent corporation.

“Successor” means an entity that has replaced a predecessor by acquiring the assets and carrying out the affairs of the predecessor under a new name (often through acquisition or merger). The term “successor” does not include new offices/divisions of the same company or a company that only changes its name. The extent of the responsibility of the successor for the liabilities of the predecessor may vary, depending on State law and specific circumstances.

“Veteran-owned small business concern” means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans(as defined at 38 U.S.C. 101(2)) or, in the case of any

publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned business concern” means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of the its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

“Women-owned small business concern” means a small business concern --

(1) That is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

“Women-owned small business (WOSB) concern eligible under the WOSB Program (in accordance with 13 CFR part 127),” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(b)

(1) Annual Representations and Certifications. Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the SAMwebsite.

(2) The offeror has completed the annual representations and certifications electronically via the SAM website accessed through https://www.acquisition.gov. After reviewing the SAM database information, the offeror verifies by submission of this offer that the representation and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs _____. [Offeror to identify the applicable paragraphs at (c) through (s) of this provision that the offeror has completed for the purposes of this solicitation only, if any. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer. Any changes provided by the offeror are

applicable to this solicitation only, and do not result in an update to the representations and certifications posted electronically on SAM.]

(c) Offerors must complete the following representations when the resulting contract is to be performed in the United States or its outlying areas. Check all that apply.

(1) Small business concern. The offeror represents as part of its offer that it [_] is, [_] is not a small business concern.

(2) Veteran-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents as part of its offer that it [_] is, [_] is not a veteran-owned small business concern.

(3) Service-disabled veteran-owned small business concern. [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.] The offeror represents as part of its offer that it [_] is, [_] is not a service-disabled veteran-owned small business concern.

(4) Small disadvantaged business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it [_] is, [_] is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) Women-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it [_] is, [_] is not a women-owned small business concern.

Note: Complete paragraphs (c)(8) and (c)(9) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) WOSB concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (c)(5) of this provision.] The offeror represents that—

(i) It [_] is, [_] is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [_] is, [_] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(6)(i) of this provision is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern eligible under the WOSB Program and other small businesses that are participating in the joint venture: _____.] Each WOSB concern

eligible under the WOSB Program participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(7) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a WOSB concern eligible under the WOSB Program in (c)(6) of this provision.] The offeror represents that—

(i) It [_] is, [_] is not an EDWOSB concern, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [_] is, [_] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(7)(i) of this provision is accurate for each EDWOSB concern participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern and other small businesses that are participating in the joint venture: _____.] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(8) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it [_] is, a women-owned business concern.

(9) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

_____

(10) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, as part of its offer, that--

(i) It [_] is, [_] is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It [_] is, [_] is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(10)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small

business concerns participating in the HUBZone joint venture: _____.] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246 --

(1) Previous contracts and compliance. The offeror represents that --

(i) It [_] has, [_] has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It [_] has, [_] has not, filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that --

(i) It [_] has developed and has on file, [_] has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or

(ii) It [_] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed $150,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) Buy American Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American – Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end

products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.” The terms “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American—Supplies.”

(2) Foreign End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

[List as necessary]

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)

(1) Buy American -- Free Trade Agreements -- Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American -- Free Trade Agreements -- Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms “Bahrainian, Moroccan, Omani, Panamanian, or Peruvian end product,” “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” “Israeli end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American--Free Trade Agreements--Israeli Trade Act.”

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, Panamanian, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act”:

Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, Panamanian, or Peruvian End Products) or Israeli End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

[List as necessary]

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) or this provision) as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act.” The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.”

Other Foreign End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

[List as necessary]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) Buy American—Free Trade Agreements—Israeli Trade Act Certificate, Alternate I. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act”:

Canadian End Products:

Line Item No.:

_____

[List as necessary]

(3) Buy American—Free Trade Agreements—Israeli Trade Act Certificate, Alternate II. If Alternate II to the clause at FAR 52.225-3 is

included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled “Buy American--Free Trade Agreements--Israeli Trade Act'':

Canadian or Israeli End Products:

Line Item No.:

Country of Origin:

[List as necessary]

(4) Buy American—Free Trade Agreements—Israeli Trade Act Certificate, Alternate III. If Alternate III to the clause at 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Korean, Moroccan, Omani, Panamanian, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled “Buy American—Free Trade Agreements—Israeli Trade Act”:

Free Trade Agreement Country End Products (Other than Bahrainian, Korean, Moroccan, Omani, Panamanian, or Peruvian End Products) or Israeli End Products:

Line Item No.:

Country of Origin:

[List as necessary]

(5) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(5)(ii) of this provision, is a U.S.-made or designated country end product as defined in the clause of this solicitation entitled “Trade Agreements.”

(ii) The offeror shall list as other end products those end products

that are not U.S.-made or designated country end products.

Other End Products

Line Item No.:

Country of Origin:

[List as necessary]

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American statute. The Government will consider for award only offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) Certification Regarding Responsibility Matters (Executive Order 12689). (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals--

(1) [_] Are, [_] are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(2) [_] Have, [_] have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and

(3) [_] Are, [_] are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses enumerated in paragraph (h)(2) of this clause; and

(4) [_] Have, [_] have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds $3,500 for which the liability remains unsatisfied.

(i) Taxes are considered delinquent if both of the following criteria apply:

(A) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(B) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(ii) Examples.

(A) The taxpayer has received a statutory notice of deficiency, under I.R.C. §6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appear rights.

(B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. §6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals Contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. §6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. §362 (the Bankruptcy Code).

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed End Product

Listed End Product:

Listed Countries of Origin:

(2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

[_] (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

[_] (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that is has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) Place of manufacture. (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1) [_] In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) [_] Outside the United States.

(k) Certificates regarding exemptions from the application of the Service Contract Labor Standards. (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.) [The contracting officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.]

(1) [_] Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003-4(c)(1). The offeror [_] does [_] does not certify that—

(i) The items of equipment to be serviced under this contract are used

regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;

(ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and

(iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(2) [_] Certain services as described in FAR 22.1003-4(d)(1). The offeror [_] does [_] does not certify that—

(i) The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

(ii) The contract services will be furnished at prices that are, or are based on, established catalog or market prices (see FAR 22.1003-4(d)(2)(iii));

(iii) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(iv) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.

(3) If paragraph (k)(1) or (k)(2) of this clause applies—

(i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Labor Standards wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and

(ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

(l) Taxpayer identification number (TIN) (26 U.S.C. 6109, 31 U.S.C.

7701). (Not applicable if the offeror is required to provide this information to the SAM database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (l)(3) through (l)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) Taxpayer Identification Number (TIN).

[_] TIN:_____.

[_] TIN has been applied for.

[_] TIN is not required because:

[_] Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

[_] Offeror is an agency or instrumentality of a foreign government;

[_] Offeror is an agency or instrumentality of the Federal Government;

(4) Type of organization.

[_] Sole proprietorship;

[_] Partnership;

[_] Corporate entity (not tax-exempt);

[_] Corporate entity (tax-exempt);

[_] Government entity (Federal, State, or local);

[_] Foreign government;

[_] International organization per 26 CFR 1.6049-4;

[_] Other _____.

(5) Common parent.

[_] Offeror is not owned or controlled by a common parent:

[_] Name and TIN of common parent:

Name _____

TIN _____

(m) Restricted business operations in Sudan. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

(n) Prohibition on Contracting with Inverted Domestic Corporations—

(1) Government agencies are not permitted to use appropriated (or otherwise made available) funds for contracts with either an inverted domestic corporation, or a subsidiary of an inverted domestic corporation, unless the exception at 9.108-2(b) applies or the requirement is waived in accordance with the procedures at 9.108-4.

(2) Representation. The offeror represents that—

(i) It [ ] is, [ ] is not an inverted domestic corporation; and

(ii) It [ ] is, [ ] is not a subsidiary of an inverted domestic corporation.

(o) Prohibition on contracting with entities engaging in certain activities or transactions relating to Iran.

(1) The offeror shall email questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(2) Representation and Certification. Unless a waiver is granted or an exception applies as provided in paragraph (o)(3) of this provision, by submission of its offer, the offeror—

(i) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(ii) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act; and

(iii) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds $3,500 with Iran’s Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in

property of which are blocked pursuant to the International Emergency Economic Powers Act (50(U.S.C. 1701 et seq.) (see OFAC's Specially Designated Nationals and Blocked Persons List at http://www.treasury.gov/ofac/downloads/t11sdn.pdf).

(3) The representation and certification requirements of paragraph (o)(2) of this provision do not apply if—

(i) This solicitation includes a trade agreements certification (e.g., 52.212-3(g) or a comparable agency provision); and

(ii) The offeror has certified that all the offered products to be supplied are designated country end products.

(p) Ownership or Control of Offeror. (Applies in all solicitations when there is a requirement to be registered in SAM or a requirement to have a DUNS Number in the solicitation.

(1) The Offeror represents that it [ ] has or [ ] does not have an immediate owner. If the Offeror has more than one immediate owner (such as a joint venture), then the Offeror shall respond to paragraph (2) and if applicable, paragraph (3) of this provision for each participant in the joint venture.

(2) If the Offeror indicates "has" in paragraph (p)(1) of this provision, enter the following information:

Immediate owner CAGE code:_____

Immediate owner legal name:_____

(Do not use a "doing business as" name)

Is the immediate owner owned or controlled by another entity:

[ ] Yes or [ ] No.

(3) If the Offeror indicates "yes" in paragraph (p)(2) of this provision, indicating that the immediate owner is owned or controlled by another entity, then enter the following information:

Highest level owner CAGE code:_____

Highest level owner legal name:_____

(Do not use a "doing business as" name)

(q) Representation by Corporations Regarding Delinquent Tax Liability

or a Felony Conviction under any Federal Law.

(1) As required by section 744 and 745 of Division E of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts, the Government will not enter into a contract with any corporation that—

(i) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless and agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government; or

(ii) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless an agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

(2) The Offeror represents that--

(i) It is [ ] is not [ ] a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and

(ii) It is [ ] is not [ ] a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

(r) Predecessor of Offeror. (Applies in all solicitations that include the provision at 52.204-16, Commercial and Government Entity Code Reporting.)

(1) The Offeror represents that it [ ] is or [ ] is not a successor to a predecessor that held a Federal contract or grant within the last three years.

(2) If the Offeror has indicated “is” in paragraph (r)(1) of this provision, enter the following information for all predecessors that held a Federal contract or grant within the last three years (if more than one predecessor, list in reverse chronological order):

Predecessor CAGE code _____(or mark “Unknown).

Predecessor legal name: _____.
(Do not use a “doing business as” name).

52.219-1 -- Small Business Program Representations (OCT 2014)

(a)

(1) The North American Industry Classification System (NAICS) code for this acquisition is 531311

(2) The small business size standard is $15 Million.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations.

(1) The offeror represents as part of its offer that it [_] is, [_] is not a small business concern.

(2) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, for general statistical purposes, that it [_] is, [_] is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it [_] is, [_] is not a women-owned small business concern.

(4) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (b)(3) of this provision.] The offeror represents as part of its offer that—

(i) It [_] is, [_] is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [_] is, [_] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(4)(i) of this provision is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern eligible under the WOSB Program and other small businesses that are participating in the joint venture: _____.] Each WOSB concern eligible under the WOSB Program participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(5) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a women-owned small business concern eligible under the WOSB Program in (b)(4) of this provision.] The offeror represents as part of its offer that--

(i) It [_] is, [_] is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [_] is, [_] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(5)(i) of this provision is accurate for each EDWOSB concern participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern and other small businesses that are participating in the joint venture: _____.] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(6) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it [_] is, [_] is not a veteran-owned small business concern.

(7) [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (b)(6) of this provision.] The offeror represents as part of its offer that is [_] is, [_] is not a service-disabled veteran-owned small business concern.

(8) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that –

(i) It [_] is, [_] is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It [_] is, [_] is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(8)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: _____.] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

(c) Definitions. As used in this provision--

“Economically disadvantaged women-owned small business (EDWOSB) concern” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business concern eligible under the WOSB Program.

“Service-disabled veteran-owned small business concern”—

(1) Means a small business concern—

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small business concern,” means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.

“Veteran-owned small business concern” means a small business concern—
(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned small business concern,” means a small business concern --

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.
“Women-owned small business (WOSB) concern eligible under the WOSB Program (in accordance with 13 CFR part 127),” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(d) Notice.

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside

contains restrictions on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a business concern that is small, HUBZone small, small disadvantaged, service-disabled veteran-owned small, economically disadvantaged women-owned small, or women-owned small eligible under the WOSB Program in order to obtain a contract to be awarded under the preference programs established pursuant to section 8, 9, 15, 31, and 36 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall --

(i) Be punished by imposition of fine, imprisonment, or both;

(ii) Be subject to administrative remedies, including suspension and debarment; and

(iii) Be ineligible for participation in programs conducted under the authority of the Act.

(End of Provision)

52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS. (FEB 1999)

The offeror represents that-

(a) It [] has, [] has not participated in a previous contract or subcontract subject the Equal Opportunity clause of this solicitation;

(b) It [] has, [] has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subContractors, will be obtained before subcontract awards.

(End of provision)

52.225-25 Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications. (OCT 2015)

SECTION L - Instructions, Conditions, and Notices to Bidders

FAR 52.204-18 Commercial and Government Entity Code Maintenance. (Jul 2015)

FAR 52.216-1 Type of Contract.

The Government contemplates award of a Fixed Price contract resulting from this solicitation.

Questions and Answers.

All questions shall be submitted in writing no later than **11/16/2016** to Christopher.S.Stuart@hud.gov.

All questions and answers will be posted on or about 11/23/2016.

HUDAR 2452.215-70 Proposal Content. (MAR 2016) Alternate I and Alternate II

(a) Proposals shall be submitted in two parts as described in paragraphs (c) and (d) below. Each of the parts must be complete in itself so that evaluation of each part may be conducted independently, and so the identified parts of each proposal may be evaluated strictly on its own merit. Proposals shall be submitted in the format, if any, prescribed elsewhere in this solicitation. Proposals shall be enclosed in sealed packaging and addressed to the office specified in the solicitation. The offeror's name and address, the solicitation number and the date and time specified in the solicitation for proposal submission must appear in writing on the outside of the package.

(b) The number of proposals required is an original and [insert number] copies of Part I, and [insert number] copies of Part II.

(c) Part I—Technical Proposal.

(1) The offeror shall submit the information required in Instructions to Offerors designated under Part I—Technical Proposal.

(d) Part II—Business Proposal.

(1) The offeror shall complete the Representations and Certifications provided in Section K of this solicitation and include them in Part II, Business Proposal.

(2) The offeror shall provide information to support the offeror's proposed costs or prices as prescribed elsewhere in Instructions to Offerors for Part II—Business Proposal.

(3) The offeror shall submit any other information required in Instructions to Offerors designated under Part II—Business Proposal.

(4) The offeror shall describe in detail how the offeror will maintain the security of automated systems as required by clause 2452.239–70 in Section I of this solicitation and include it in Part II, Business Proposal.

(e) Size limits of Parts I and II.

(1) Offerors shall limit submissions of Parts I and II of their initial proposals to the page limitations identified in the Instructions to Offerors. Offerors are cautioned that, if any Part of their proposal exceeds the stipulated limits for that Part, the Government will evaluate only the information contained in the pages up through the permitted number. Pages beyond that limit will not be evaluated.

(2) A page shall consist of one side of a single sheet of 81.2' x 11″ paper, single spaced, using not smaller than 12-point type font, and having margins at the top, bottom, and sides of the page of no less than one inch in width.

(3) Any exemptions from this limitation are stipulated under the Instructions to Offerors.

(4) Offerors are encouraged to use recycled paper and to use both sides of the paper (see the FAR clause at 52.204–4).

L.1 PROPOSAL MATRIX

As part of the proposal submission, offerors shall submit a Proposal Matrix using the table below or similar format, which maps what page of the proposal addresses each Performance Work Statement requirement identified under Technical Approach, and which page of the proposal fully addresses each evaluation factor. The offeror shall use the appropriate column to fill in the requirement as stipulated in the RFP to which the page/section number applies. **The chart may include as many lines as the offeror thinks are necessary.**

Proposal Page(s)/Section Number(s)	RFP Requirement	Statement of Work	Section L or Instructions to Offerors	Section M or Evaluation Factors	Comments

L.1.1 TECHNICAL APPROACH (Shall not exceed 25 pages)

- The offeror shall submit a technical approach that demonstrates logical and feasible methods for meeting the requirements described in the PWS:
  - How well the proposal demonstrates logical and feasible methods for meeting the requirements described in the PWS and meeting the performance objectives outlined within the solicitation;
  - How well the project schedule demonstrates:
    - A clear understanding of the required operations and HUD requirements; and
    - Realistic timeframes for performing the PWS tasks and associated deliverables identified in the PWS, paragraph 6 entitled Deliverables.
- If the proposal includes subcontractors, how well the proposed approach delineates the technical responsibilities between the prime and the subcontractor(s); and
- How well the proposed labor mix is based upon reasonable assumptions and is consistent with the requirements set forth in the PWS and the proposed technical approach.

L.1.2 MANAGEMENT PLAN (Shall not exceed 8 pages)

The offeror shall submit a Management Plan that is clear, concise, and demonstrates that it will result in meeting the objectives and requirements contained within Performance Work Statement tasks identified under the instructions for Technical Approach.

- How well the proposal supports the achievement of the Government's objectives and requirements outlined in the solicitation regarding:
  - Key Personnel and responsibilities;
  - subcontracting arrangements and reporting relationships of all subcontractors;
  - successful communication and coordination between the contractor and the government personnel/roles;
  - clear lines of authority from the top of the organization to all those working on this effort;
  - schedules of all tasks and subtasks, meetings, and deliverables; and Quality Control Plan, successful communication and coordination between Contractor and government personnel and roles.

L.1.3 KEY PERSONNEL (Limit to 2 Pages each)

The offeror shall submit Key Personnel resumes that demonstrate sufficient relevant prior experience, qualifications, education, and certification for personnel proposed to fill the key positions identified by the offeror. Additionally, the Key Personnel proposed and the number identified must reflect adequate capabilities or skill sets to ensure the outcome and benefits sought by the government are achievable. The offeror shall state what percentage of the Key Personnel's work week time will be dedicated to the performance of the contract. Letters of commitment are required for all Key Personnel.

Specific Key Personnel requirements are as follows:

- How well the resumes demonstrate relevant prior experience, qualifications, education, and certification, if applicable, for personnel proposed to fill the key positions described in the solicitation;
- How will the number of key personnel identified and/or the amount of time each will commit to the effort, reflect a clear understanding of the requirement described in the PWS; and
- Whether any key personnel letters of commitment were submitted and are acceptable.

L.1.4 PAST PERFORMANCE

The offeror shall submit the following information/documents:

- A completed chart providing the information required by the Past Performance Information chart in **Attachment 10** . The chart shall reflect **all** relevant past performance performed in the *three year* period immediately preceding submission of the proposal and all work currently being performed. If the offeror has more than 5 relevant past performance references, then the offeror shall provide the most recent 5 references. As an attachment to the chart, the offeror shall provide a narrative describing the past performance references that reflect the most relevance to the services being obtained under the contract to be awarded. The narrative shall clearly establish the relevancy of the past performance to the current requirements. (Narratives shall not exceed 1 page per reference.)
- If the offeror is proposing to subcontract (or use joint ventures/ partners, or other entities other than the prime Contractor to perform) more than 20% of the contract value, the offeror shall submit a separate chart and narrative described for past performance above, for the proposed subContractor(s).
- The Contractor shall provide the survey contained in **Attachment 9** to each past performance reference in sufficient time for the reference to complete and submit the survey directly to the HUD Contracting Officer prior to the date and time for submission of proposals. Offerors are not required to submit surveys for references where past performance is available in the Past Performance Information Retrieval System.
- If past performance for the offering firm does not exist, the Offeror may substitute past performance of key personnel that will be performing major aspects of the work under any resulting contract. If the Offeror chooses to make such a substitution, the offeror must clearly identify the substituted key personnel by name and title proposed. Only the past performance of Key Personnel overseeing the entirety of the proposed project will be considered in substitution for the firm's past performance under this factor. The Contractor shall provide the survey contained in **Attachment 9** to each past performance reference with first-hand knowledge of the performance of the substituted Key Personnel in sufficient time for the reference to complete and submit the survey directly to the HUD Contracting Officer prior to the date and time for submission of proposals.

L.2. Vol II shall be the business proposal using the format provided and shall include all other required documents listed under below.

L.2.1 COMPLETED SF1449

Offerors shall fully complete all Blocks of the SF 1449 and sign all applicable portions.

L.2.2 PRICE

Offerors shall submit fully burdened labor rates for each labor category proposed (based on their technical approach and estimation of labor needed) for the base period and all option periods using the tables in the Description/Specifications section. Offerors shall submit an estimated cost for the for the base period that is consistent with the requirements set forth in the Statement of Work and in the format requested in **attachment 8** of this solicitation. If the offeror proposes annual cost of living increases, the offeror must support the proposed increases with historical and relevant market index information.

L.3 CAUTIONS

Offerors are cautioned to submit all required information, including but not limited to:

Complete all required provisions and clauses (if the information is not available through the SAM (formerly CCR, ORCA and EPLS) website) contained in sections Contract Clauses, Representations Certifications and Other Statements of Bidders, and Instructions Conditions & Notices to Bidders.

Contract Pricing Documentation format, Attachment 8 – Contract pricing must be supported by completing all the information required in Attachment 8.

The submittal of GSA burdened rates is unacceptable for this procurement.

DISCLOSURE OF CONTACTS - The offer shall disclose all contacts with all Government personnel in regard to this specific project that have occurred prior to submission of this proposal, except that disclosure is not required for contacts with personnel from HUD's Office of the Chief Procurement Officer (OCPO) or Office of Small and Disadvantaged Utilization (OSDBU). The disclosure shall provide, at a minimum, the date the contact(s) occurred, the name(s) of the offeror and Government persons the contact(s) occurred with, and the general substance of the reason(s) for and outcome(s) of the contact(s). The requirement for disclosure applies to any and all subContractors and consultants equally with the offeror. Failure to disclose all contacts may be viewed that improper contact was made in violation of Federal and HUD regulations that bar improper conduct and may render the offeror ineligible for award.

The information provided will be reviewed to ensure that no improper contacts between Government personnel and the offeror have occurred that could affect the award of the procurement.

SUBCONTRACT/CONSULTANT AGREEMENTS - The offeror shall negotiate and execute all proposed subcontract/consultant/partnership agreements prior to submission of the Business Proposal. The offeror shall include in its business proposal submission a complete copy of its negotiated and signed subcontract/consultant agreements. Failure to include copies of executed subcontract/consultant agreements may render the offer ineligible for award.

Please provide your proposal via email **Christopher.S.Stuart@hud.gov** at the date and time specified in block 8 of the 1449.

Failure to submit any required information, forms or disclosures will be considered **a material failure and will result in the offeror's proposal being rejected**. Proposals with missing or incomplete documents will not be evaluated or rated. Offerors will be notified within five business days of rejection and will be provided with a list of missing or incomplete documents.

AS 2102- LIMITATION ON SIZE OF TECHNICAL PROPOSAL

(a) Offerors shall limit Part I, Technical Proposal, of their initial offers to 33 pages, (25) for

TECHNICAL APPROACH, (8) for MANAGEMENT PLAN, except for the information specifically exempted in paragraph (c). Offerors are cautioned that if Part I of their offers exceeds this page limitation, the Government will evaluate up through the permitted number of pages only. Pages beyond that limit will not be evaluated.

(b) A page is considered to be one side of a single sheet of 8½" x 11" paper, single spaced, using not smaller than 12-point type font, and having margins at the top, bottom and sides of the page of no less than one inch in width.

(c) The following information is exempt from the limitation set forth in paragraph (a)—

Past Performance Chart and Past Performance Survey

(d) Offerors are encouraged to use recycled paper and to use both sides of the paper (see FAR clause 52.204-4).

FAR 52.212-1 Instructions to Offerors—Commercial Items. (OCT 2015)

(a) North American Industry Classification System (NAICS) code and small business size standard. The NAICS code and small business size standard for this acquisition appear in Block 10 of the solicitation cover sheet (SF 1449). However, the small business size standard for a concern which submits an offer in its own name, but which proposes to furnish an item which it did not itself manufacture, is 500 employees.

(b) Submission of offers. Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified in this solicitation. Offers may be submitted on the SF 1449, letterhead stationery, or as otherwise specified in the solicitation. As a minimum, offers must show—

(1) The solicitation number;

(2) The time specified in the solicitation for receipt of offers;

(3) The name, address, and telephone number of the offeror;

(4) A technical description of the items being offered in sufficient detail to evaluate compliance with the requirements in the solicitation. This may include product literature, or other documents, if necessary;

(5) Terms of any express warranty;

(6) Price and any discount terms;

(7) "Remit to" address, if different than mailing address;

(8) A completed copy of the representations and certifications at FAR 52.212-3 (see FAR 52.212-3(b) for those representations and certifications that the offeror shall complete electronically);

(9) Acknowledgment of Solicitation Amendments;

(10) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other

references (including contract numbers, points of contact with telephone numbers and other relevant information); and

(11) If the offer is not submitted on the SF 1449, include a statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation. Offers that fail to furnish required representations or information, or reject the terms and conditions of the solicitation may be excluded from consideration.

(c) Period for acceptance of offers. The offeror agrees to hold the prices in its offer firm for 30 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

(d) Product samples. When required by the solicitation, product samples shall be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in this solicitation, these samples shall be submitted at no expense to the Government, and returned at the sender's request and expense, unless they are destroyed during preaward testing.

(e) Multiple offers. Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or commercial items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately.

(f) Late submissions, modifications, revisions, and withdrawals of offers.

(1) Offerors are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office on the date that offers or revisions are due.

(2)(i) Any offer, modification, revision, or withdrawal of an offer received at the Government office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and—

(A) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of offers; or

(B) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government's control prior to the time set for receipt of offers; or

(C) If this solicitation is a request for proposals, it was the only proposal received.

(ii) However, a late modification of an otherwise successful offer, that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

(3) Acceptable evidence to establish the time of receipt at the Government installation includes the time/date stamp of that installation on the offer wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

(4) If an emergency or unanticipated event interrupts normal Government processes so that offers cannot be received at the Government office designated for receipt of offers by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation or other notice of an extension of the closing date, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume.

(5) Offers may be withdrawn by written notice received at any time before the exact time set for receipt of offers. Oral offers in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for receipt of offers, subject to the conditions specified in the solicitation concerning facsimile offers. An offer may be withdrawn in person by an offeror or its authorized representative if, before the exact time set for receipt of offers, the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

(g) Contract award (not applicable to Invitation for Bids). The Government intends to evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Government may reject any or all offers if such action is in the public interest; accept other than the lowest offer; and waive informalities and minor irregularities in offers received.

(h) Multiple awards. The Government may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the Schedule, offers may not be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the offeror specifies otherwise in the offer.

(i) Availability of requirements documents cited in the solicitation.

(1)(i) The GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR Part 101-29, and copies of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained for a fee by submitting a request to—

GSA Federal Supply Service Specifications Section
Suite 8100
470 East L'Enfant Plaza, SW
Washington, DC 20407

Telephone (202) 619-8925
Facsimile (202) 619-8978.

(ii) If the General Services Administration, Department of Agriculture, or Department of Veterans Affairs issued this solicitation, a single copy of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained free of charge by submitting a request to the addressee in paragraph (i)(1)(i) of this provision. Additional copies will be issued for a fee.

(2) Most unclassified Defense specifications and standards may be downloaded from the following ASSIST websites:

(i) ASSIST (https://assist.dla.mil/online/start/).

(ii) Quick Search (http://quicksearch.dla.mil/).

(iii) ASSISTdocs.com (http://assistdocs.com).

(3) Documents not available from ASSIST may be ordered from the Department of Defense Single Stock Point (DoDSSP) by—

(i) Using the ASSIST Shopping Wizard (https://assist.dla.mil/wizard/index.cfm);

(ii) Phoning the DoDSSP Customer Service Desk (215) 697-2179, Mon-Fri, 0730 to 1600 EST; or

(iii) Ordering from DoDSSP, Building 4, Section D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, Telephone (215) 697-2667/2179, Facsimile (215) 697-1462.

(4) Nongovernment (voluntary) standards must be obtained from the organization responsible for their preparation, publication, or maintenance.

(j) Data Universal Numbering System (DUNS) Number. (Applies to all offers exceeding $3,500, and offers of $3,500 or less if the solicitation requires the Contractor to be registered in the System for Award Management (SAM) database.) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS+4" followed by the DUNS or DUNS+4 number that identifies the offeror's name and address. The DUNS+4 is the DUNS number plus a 4-character suffix that may be assigned at the discretion of the offeror to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts (see FAR Subpart 32.11) for the same concern. If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. An offeror within the United States may contact Dun and Bradstreet by calling 1-866-705-5711 or via the internet at http://fedgov.dnb.com/webform. An offeror located outside the United States must contact the local Dun and Bradstreet

office for a DUNS number. The offeror should indicate that it is an offeror for a Government contract when contacting the local Dun and Bradstreet office.

(k) System for Award Management. Unless exempted by an addendum to this solicitation, by submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the SAM database prior to award, during performance and through final payment of any contract resulting from this solicitation. If the Offeror does not become registered in the SAM database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror. Offerors may obtain information on registration and annual confirmation requirements via the SAM database accessed through https://www.acquisition.gov.

(l) Debriefing. If a post-award debriefing is given to requesting offerors, the Government shall disclose the following information, if applicable:

(1) The agency's evaluation of the significant weak or deficient factors in the debriefed offeror's offer.

(2) The overall evaluated cost or price and technical rating of the successful and the debriefed offeror and past performance information on the debriefed offeror.

(3) The overall ranking of all offerors, when any ranking was developed by the agency during source selection.

(4) A summary of the rationale for award;

(5) For acquisitions of commercial items, the make and model of the item to be delivered by the successful offeror.

(6) Reasonable responses to relevant questions posed by the debriefed offeror as to whether source-selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the agency.

FAR 52.215-1 Instructions to Offerors—Competitive Acquisition. (Jan 2004)

FAR 52.233-2 SERVICE OF PROTEST. (SEP 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Hand-Carried and Mailing Address:

U.S. Department of Housing and Urban Development
Western (Denver) Field Contracting Operations, NFWR
1670 Broadway, 23rd Floor
Denver, CO 80202-4801
ATTN: Kevin Crook

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

FAR 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE. (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es): https://www.acquisition.gov or http://farsite.hill.af.mil/

FAR 52.252-5 AUTHORIZED DEVIATIONS IN PROVISIONS. (APR 1984)

(a) The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the provision.

(b) The use in this solicitation of any HUD Acquisition Regulation (HUDAR), (48 CFR Chapter 24) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

HUDAR 2452.233-70 REVIEW OF CONTRACTING OFFICER PROTEST DECISIONS. (FEB 2006)

(a) In accordance with FAR 33.103 and HUDAR 2433.103, a protester may request an appeal of the Contracting Officer's decision concerning a protest initially made by the protester to the Contracting Officer. The protestor must submit a written request for an appeal to the HCA not later than 10 days after the protestor's receipt of the Contracting Officer's decision (see FAR 33.101 for the definition of "days").

(b) The HCA shall make an independent review of the Contracting Officer's decision and provide the protester with the HCA's decision on the appeal.

ATTN: Keith W. Surber
US Dep’t of Housing & Urban Development
451 7th St, Room 5256
Washington, DC 20410

SECTION M - Evaluation Factors for Award

FAR 52.204-7 System for Award Management. (Jul 2013)

FAR 52.212-2 EVALUATION - COMMERCIAL ITEMS. (Oct 2014)

(a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:
See paragraph *Evaluation Factors* below.

(b) *Options*. The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The Government may determine that an offer is unacceptable if the option prices are significantly unbalanced. Evaluation of options shall not obligate the Government to exercise the option(s).

(c) A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the Government may accept an offer (or part of an offer), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

M.1 Evaluation Factors

M.1.1 TECHNICAL APPROACH

The government will evaluate the following regarding the proposed Technical Approach:

- How well the proposal demonstrates logical and feasible methods for meeting the requirements described in the PWS and meeting the performance objectives outlined within the solicitation;
    - How well the project schedule demonstrates:
        - A clear understanding of the required operations and HUD requirements; and
        - Realistic timeframes for performing the PWS tasks and associated deliverables identified in the PWS, paragraph 6 entitled Deliverables.
- If the proposal includes subcontractors, how well the proposed approach delineates the technical responsibilities between the prime and the subcontractor(s); and
- How well the proposed labor mix is based upon reasonable assumptions and is consistent with the requirements set forth in the PWS and the proposed technical approach.

MANAGEMENT PLAN

The government will evaluate the following in the proposed Management Plan:

- How well the proposal supports the achievement of the Government's objectives and requirements outlined in the solicitation regarding:
  - Key Personnel and responsibilities;
  - subcontracting arrangements and reporting relationships of all subcontractors;
  - successful communication and coordination between the contractor and the government personnel/roles;
  - clear lines of authority from the top of the organization to all those working on this effort
  - schedules of all tasks and subtasks, meetings, and deliverables; and Quality Control Plan, successful communication and coordination between Contractor and government personnel and roles.

KEY PERSONNEL

The government will evaluate the following regarding the proposed Key Personnel:

- How well the resumes demonstrate relevant prior experience, qualifications, education, and certification, if applicable, for personnel proposed to fill the key positions identified in the solicitation;
- How well the number of key personnel identified and/or the amount of time each will commit to the effort, reflect a clear understanding of the requirement described in the PWS; and
- Whether any required letters of commitment were submitted and are acceptable.

PAST PERFORMANCE

In evaluating Past Performance, HUD will address four components – recency, relevancy, quality, and sufficiency. This factor's primary emphasis is to assess the past performance of the proposed prime Contractor (or in the case of joint ventures or some other teaming arrangement, the primary member of the team). However, if significant subcontracting/use of other teaming arrangements is anticipated, the past performance history of the proposed subcntractors/other team members must also be evaluated.

- All references will be first assessed for recency and HUD will consider only references performed within the three years immediately prior to submission of the proposal;
- Of those determined to be recent, HUD will assess the degree of similarity in scope, value and magnitude. The past performance efforts submitted have to meet the solicitation requirements to determine relevancy;
- HUD will then assess relevant past performance efforts for quality;
- HUD's overall assessment will be based upon sufficiency of high quality past performance and risk of nonperformance.

The final rating under this factor will encompass the totality of the information provided, including completeness, relevancy, and the depth, breadth, and quality of only relevant past performance for the proposed prime Contractor and proposed subcontractor/team members. The final rating will range from Excellent (High Confidence) to Unacceptable (Low Confidence). Offerors that have addressed the factor and have no relevant past performance history by the prime and any subcontractors/team members will be rated as Neutral (Unknown Confidence). Offerors that fail to address the factor will be determined to have not complied with the solicitation requirements and will receive the lowest possible rating.

HUD is not restricted to evaluating the information provided by the offeror or the surveys provided by references and may utilize information obtained from any source. HUD will obtain additional information from the Government's Past Performance Information Retrieval System (PPIRS), if available.

PRICE

Price will be evaluated separately from Technical and other non-cost/price factors, and will be evaluated as follows:

Reasonableness. The reasonableness of the prices proposed will be evaluated as follows:

- The sum for each period will be added to determine the total evaluated contract price;
- On the basis of adequate price competition, by comparing the proposed prices among offers;
- Comparing proposed prices to the Independent Government Cost Estimate to ensure that prices are reasonable for the results to be achieved
- While cost will not be assigned a rating during the evaluation, it is a criterion in the overall evaluation of proposals. Proposed costs will be evaluated to determine whether they are necessary and reasonable for the conduct of the proposed contract, reflect a clear understanding of the requirements, and are consistent with the methods of performance described in the offeror's proposal and/or;
- Ensuring line item prices are not unbalanced.

Unless it is determined not to be in the Government's best interest in accordance with FAR 17.206(b); offers will be evaluated for award purposes by adding the total price for all options to the total price for the basic requirement. For purposes of evaluating the price of exercising the potential 6-month extension of services using the clause at FAR 52.217-8, 50% of the final option year (six months) value will be added to the total proposed amount for evaluating pricing only, this amount will not be included in the total aggregate value of the resulting contract. This addition is for evaluation purposes only.

Unbalanced Pricing - Offerors are cautioned against submitting an offer that contains unbalanced pricing. Unbalanced pricing may increase performance risk and could result in payment of unreasonably high prices. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly over or understated as indicated by the application of price analysis techniques. The Government will analyze offers to determine whether they are unbalanced with respect to separately priced line items. Offers that are determined to be unbalanced may be rejected if the contracting officer determines that the lack of balance poses an unacceptable risk to the Government.

AS 2112 SPECIAL INSTRUCTION REGARDING LOBBYING DISCLOSURES

If the bidder/offeror is required to complete an SF LLL, Disclosure of Lobbying Activities (see FAR 52.203-11), the offeror may obtain the form from HUD's internet homepage at:

http://www.hudclips.org/subscriber/html/forms.htm

FAR 52.217-5 EVALUATION OF OPTIONS. (JUL 1990)

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

HUDAR 2452.215-71 RELATIVE IMPORTANCE OF TECHNICAL EVALUATION FACTORS TO COST OR PRICE (DEC 2012)

For the purposes of evaluating offers and the selection of the Contractor or Contractors under this solicitation, the relative merit of the offeror's technical proposal as evaluated in accordance with the technical evaluation factors listed herein shall be considered significantly more important than cost or price. While the proposed cost or price will not be assigned a specific weight, it shall be considered a significant criterion in the overall evaluation of proposals.

BEST VALUE AWARD

- This Best Value Tradeoff analysis will be used in this solicitation. The Contracting Officer anticipates awarding contract without entering into discussions with offerors; however, the Contracting Officer reserves the right to engage in discussion if warranted. HUD may have communications with offerors before establishing a competitive range of offerors with whom to enter into discussions.
- Proposals received in response to this RFP will be evaluated using a Best Value Tradeoff process that will entail a qualitative evaluation of proposals under four primary factors – 1) Technical Approach, 2) Management 3) Key Personnel, and 4) Past Performance. The factors listed are equal in terms of importance. However, as the offerors become more equal in technical merit, the importance of price to the evaluation decision will increase. **The TEP will rank the proposals from highest to lowest utilizing the technical and other discriminators, other than price, that**

distinguish each proposal from the others.

- The final selection will be made using the qualitative factors and price as the tradeoff factors for offers ultimately determined to be technically acceptable for all factors evaluated. The Government shall make award to the offeror who represents the overall best value to the Government.
- An offeror rated overall as unacceptable (including unacceptable but capable of being made acceptable) shall not be eligible for award.
- After completion of technical evaluation, if the CO determines to award without conducting discussions, then only offerors rated technically acceptable will be eligible for award. The Government award may be made **without** discussions based on a best value trade-off between all proposals determined to be technically acceptable.
- If the CO determines discussions are necessary, then based upon the ratings of each proposal against all the evaluation criteria, the CO will establish a competitive range comprised of the most highly rated proposals for which an efficient competition can be conducted.
- After establishing the competitive range, HUD may conduct exchanges of information (discussions/negotiations/clarifications). After exchanges are completed, offerors in the competitive range will be required to submit Final Proposal Revisions (FPR). Upon submission and evaluation of the FPR, a selection decision will be made and the contract will be awarded.
- Regardless of whether or not exchanges take place, the final selection decision will be the result of a tradeoff analysis of the technical factors and price.

Adjectival Ratings for Other Than Past Performance or Socioeconomic Participation Evaluation Factors

The following adjectival ratings provide a standardized means to evaluate proposals for factors other than past performance or socioeconomic participation:

- **Excellent/Very Low Risk** – An excellent proposal is characterized as follows: The proposed approach indicates an exceptionally thorough and comprehensive understanding of the contract and program goals, resources, schedules, and other aspects essential to performance of the program. In terms of the specific factor (or significant subfactor), the proposal contains one or more major strengths and no weaknesses, significant weaknesses or deficiencies. The risk of unsuccessful contract performance is very low.

- **Good/Low Risk** – A good proposal is characterized as follows: The proposed approach indicates a thorough understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program. Weaknesses, if any, are minor and no deficiencies exist. Risk of unsuccessful performance is low.

- **Fair/Medium Risk** – A fair proposal is characterized as follows: The proposed approach indicates an adequate understanding of the contract and program goals and the methods,

resources, schedules, and other aspects essential to the performance of the program. There are no deficiencies, but one or more significant weaknesses or a combination of many weaknesses exist that increase the risk of unsuccessful performance. The risk of unsuccessful performance is medium.

- **Marginal/High Risk** – A marginal proposal is characterized as follows: The proposed approach indicates a superficial or vague understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program. The proposal has multiple significant weaknesses and weaknesses but no deficiencies. The risk of unsuccessful contract performance is high.

- **Unacceptable/Very High Risk** - An unacceptable proposal is characterized as follows: The proposed approach indicates a lack of understanding of the contract and program goals and the methods, resources, schedules, and other aspects essential to the performance of the program. One or more deficiencies or a combination of significant weaknesses exist sufficient to indicate a lack of understanding of the requirements. The risk of unsuccessful contract performance is very high.

Adjectival Ratings for
Past Performance Evaluation Factors

The following adjectival ratings provide a standardized means to evaluate proposals for past performance factors:

- **Excellent (High Confidence) –** The overall assessment of the offeror's recent past performance reveals a sufficient quantity of highly relevant and high quality past performance. There is no doubt the offeror will successfully perform the effort required under the contract. The confidence of successful performance is evaluated as high.

- **Good (Significant Confidence) –** The overall assessment of the offeror's recent past performance, in terms of relevancy, quality, and sufficiency reveals a past performance record in which there is little doubt the offeror will successfully perform the effort required under the contract. The confidence of successful performance is evaluated as significant.

- **Fair (Some confidence)** – The overall assessment of the offeror's recent past performance, in terms of relevancy, quality, and sufficiency reveals a past performance record in which there is some doubt the offeror will successfully perform the effort required under the contract. The confidence of successful performance is evaluated as some.

- **Neutral** – The overall assessment of the offeror's past performance, in terms of relevancy, quality, and sufficiency reveals the offeror has no relevant past performance record which may be effectively evaluated. The performance risk of the offeror is neutral. The Contractor is rated neither good nor bad. The performance risk of the offeror is neutral.

(Note that, to obtain this rating, the offeror must specifically address the factor and either state it has no relevant past performance or the submitted past performance must be determined to not be relevant. Failure to address the factor in its entirety does not warrant this rating.)

- **Unacceptable (Low confidence)** – The overall assessment of the offeror's past performance, in terms of recency, relevancy, quality, and sufficiency reveals a past performance record in which there is substantial doubt the offeror will successfully perform the effort required under the contract. This rating may also be due to the offeror failing to address the factor as required and no additional information is available. The confidence of successful performance is evaluated as low.

Definitions

In an effort to ensure that during the evaluation process all Technical Evaluation Panel (TEP) members are consistently using the terms "strengths, weaknesses, significant weaknesses, and deficiencies," the definitions below will be used for evaluation purposes.

- **STRENGTH** – The proposal demonstrates capability, expertise, or knowledge which greatly increases the likelihood of the offeror's successful contract performance.

- **WEAKNESS** – A flaw in the proposal that increases the risk of unsuccessful contract performance.

- **SIGNIFICANT WEAKNESS** – A flaw in the proposal that appreciably increases the risk of unsuccessful contract performance.

- **DEFICIENCY** – A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level.

Attachment 1

Table 1.0 System Security, Privacy, and Authentication Requirements and Internal Control Reviews Applicable to Service Organizations Performing Outsourced HUD Financial Management Functions

Requirement	Reference	Deliverable	Frequency	Responsibility
Internal Controls Assessment	OMB Circular A-123, Management's Responsibility for Internal Control	A-123 Self-Assessment	Annually	Service Organization Contractor Assists with Information, Documents, and Access to Facilities
Review of Business Process Controls	Statement on Standards for Attestation Engagements No. 16 (SSAE 16) Reporting on Controls at a Service Organization	SSAE 16, SOC 1, Type II independent audit	Annually	An Independent Auditor Hired by the Service Organization Contractor
Financial Management System Assessment	OMB Circular A-127, Financial Management Systems	A-127 Self-Assessment	Annually	Service Organization Contractor Assists with Information, Documents, and Access to Facilities
Security Assessment	Federal Security Standard: NIST Special Publication 800-53 Revision 1, HUD Handbook 2400.25 Information Technology Security Policy	Report on Selected Controls	Annually	Service Organization Contractor
System Security Plan	Federal Security Standard: NIST Special Publication 800-18 Revision 1, HUD Handbook 2400.25 Information Technology Security Policy	System Security Plan	Start Up, with Updates at Least Annually, and Whenever Security Processes and Procedures Change	Service Organization Contractor

Attachment 1

Requirement	Reference	Deliverable	Frequency	Responsibility
System Test and Evaluation (ST&E)	Federal Security Standard: NIST Special Publications 800-37, 800-53, 800-53a HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide.	Independent System Test and Evaluation (ST&E); Security Controls Assessment Report (SCAR);	Start Up, and at Least Every Three Years Thereafter	An Independent Evaluator Hired by the Service Organization Contractor
Remedial Plans to Address Deficiencies Identified in the ST&E	Federal Security Standard: NIST Special Publications 800-37, 800-53, 800-53a HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide.	Plan of Action and Milestones (POA&M)	Quarterly	Service Organization Contractor
Continuity of Operations	Federal Security Standard: NIST Special Publication 800-34, HUD Handbook 2400.25 Information Technology Security Policy	Contingency Plan; Contingency Plan Test	Start Up, with Updates Annually	Service Organization Contractor
Security Self-Assessment	Federal Security Standard: NIST Special Publication 800-26, 800-53, 800-53a HUD Handbook 2400.25 Information Technology Security Policy	Self-Assessment	Annually	Service Organization Contractor
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	Service Organization Contractor Assists with Information and Documentation
Penetration Testing	Federal Security Standard: NIST Special Publications 800–41, 800-42, 800-44, HUD Handbook 2400.25 Information Technology Security Policy	Penetration Test Report	Annually	Service Organization Contractor

Attachment 1

Requirement	Reference	Deliverable	Frequency	Responsibility
IT Security Training services	Federal Security Standard: NIST Special Publication 800 – 16, OMB Memorandums M06-15 and M06-16, HUD Handbook 2400.25 Information Technology Security Policies and the Federal Information Security Management Act (FISMA), Public Law 107-347.	Training	Annually	Service Organization Contractor
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974 HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Records of Release of Information and Procedures for Correction and Data Quality Assurance	Continuous Operation	Service Organization Contractor
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974 HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Technical and Procedural Protections	Continuous Operation	Service Organization Contractor
Privacy Act	Federal Privacy Standard: E-Government Act of 2002, OMB Memorandum 03-22, Privacy Impact Assessment Questionnaire (See http://www.hud.gov/offices/cio/privacy/pia/pia.cfm	Privacy Impact Assessment (PIA) Questionnaire	Start Up, with Updates Annually	Service Organization Contractor
E-Authentication	Federal Authentication Standard: OMB Memorandum M-04-4, NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	Identity verification or authentication for public access	Continuous Operation	Service Organization Contractor
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	Service Organization Contractor Assists with Information and Documentation
Configuration Controls	HUD Configuration Control Standard: HUD Handbook 2400.25 Ver-1, ADP/Information Security Program Handbook	Configuration Management Plan	Start Up, and Whenever Configuration Processes and Procedures Change	Service Organization Contractor

Attachment 1

Table 2.0 System Security, Privacy, and Authentication Requirements and Internal Control Reviews Applicable to HUD Program Offices that Rely Upon Outsourced Financial Management Functions

Requirement	Reference	Deliverable	Frequency	Responsibility
Internal Controls Assessment	OMB Circular A-123, Management's Responsibility for Internal Control	A-123 Self-Assessment	Annually	HUD Program Office, with Assistance from Service Organization Contractor
Financial Management System Assessment	OMB Circular A-127, Financial Management Systems	A-127 Self-Assessment	Annually	HUD Program Office, with Assistance from Service Organization Contractor
Security Categorization	Federal Security Standard: NIST Special Publication 800-60, FIPS 199, HUD Handbook 2400.25 Information Technology Security Policy	Rating (High, Medium, Low) for Confidentiality, Integrity, and Availability	At System Start Up	HUD Program Office
Business Impact Assessment	Federal Security Standard: NIST Special Publication 800-34, HUD Handbook 2400.25 Information Technology Security Policy	Business Impact Assessment	Start Up, with Updates Annually	HUD Program Officer
Risk Assessment	Federal Security Standard: NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	Risk Assessment and Risk Management Plan	Start Up, with Updates Annually	HUD Program Office
Certification and Accreditation (C&A)	Federal Security Standards: NIST Special Publications 800-37, 800-53, 800-53a HUD Handbook 2400.25, Information Technology Security Policy, and HUD C&A Methodology Guide	Memorandum by the Assistant Secretary Accepting the System for Operation	Start Up, and at Least Every Three Years Thereafter	HUD Program Office
Memorandums of Understanding and Interconnectivity Security Agreements	Federal Security Standard: NIST Special Publication 800-47, HUD Handbook 2400.25 Information Technology Security Policy	MOU or Equivalent	Start Up, and Whenever Interconnection Processes and Procedures Change	HUD Program Office, with Assistance from Service Organization Contractor

Attachment 1

Requirement	Reference	Deliverable	Frequency	Responsibility
IT Security Training services	Federal Security Standard: NIST Special Publication 800 – 16, OMB Memorandums M06-15 and M06-16, HUD Handbook 2400.25 Information Technology Security Policies and the Federal Information Security Management Act (FISMA), Public Law 107-347.	Training	Annually	HUD Program Office
Privacy Act	Federal Privacy Standard: The Privacy Act of 1974 HUD Handbook 1325.01 REV-01, Privacy Act Handbook	Notice of System of Record	Start Up, and Whenever the Use of Personally Identifiable Information Changes	HUD Program Office
E-Authentication	Federal Authentication Standard: OMB Memorandum M-04-4, NIST Special Publication 800-30, HUD Handbook 2400.25 Information Technology Security Policy	E-Authentication Risk Assessment Report	Start Up, and Annually	HUD Program Office

Early Delinquency Servicing Activities & Loss Mitigation Program Overview

HUD Handbook 4000.1, Section III

Updated5/9/2016

The information in this document is current as of the Last Update date noted above. This document does not establish or modify the policy contained in FHA's Handbooks and Mortgagee Letters in any way.

Servicing of FHA-Insured Loans

Laws Applicable to Mortgage Servicing Generally

- Mortgagees must comply with all laws, rules, and requirements applicable to mortgage servicing
  - Includes all applicable requirements under the purview of the Consumer Financial Protection Bureau (CFPB), the Real Estate Settlement Procedure Act (RESPA), and the Truth in Lending Act (TILA)
  - FHA requirements that are more stringent or restrictive than those provided for in applicable law are set forth in this SF Handbook and the Mortgagee must comply with these requirements

Ref: HUD Handbook 4000.1, Sec.III.A.1.a

General Servicing
FHA-Approved Servicing Requirements

- The servicing of FHA-insured Mortgages must be performed by FHA-approved Mortgagees
- FHA-approved Mortgagees that use a subservicer to service FHA-insured Mortgages must ensure the subservicer is also approved by FHA to service FHA-insured Mortgages

Ref: HUD Handbook 4000.1, Sec.I.A.6.d

General Servicing
Responsibility During Transfers of Servicing Rights

- The Transferor Servicing Mortgagee remains responsible for the servicing of an FHA-insured Mortgage until the Transfer Date
- The Transferor Servicing Mortgagee must verify that the change of legal rights to service has been reported accurately
- On the Transfer Date, the Transferee Servicing Mortgagee assumes responsibility for:
  - All servicing actions, including resolution of any servicing errors that were, and remain, the responsibility of the Transferor Servicing Mortgagee;
  - Obtaining the complete mortgage file, including origination and servicing records; and
  - Ensuring that the original Mortgage, Mortgage Note, or Deed of Trust is preserved

Ref: HUD Handbook 4000.1, Sec.III.A.1.b.i

Communication with Borrowers and Authorized Third Parties

Definition

- Authorized Third Parties are parties who are not Borrowers on the Mortgage but who are authorized to communicate with Mortgagees regarding a Mortgage.

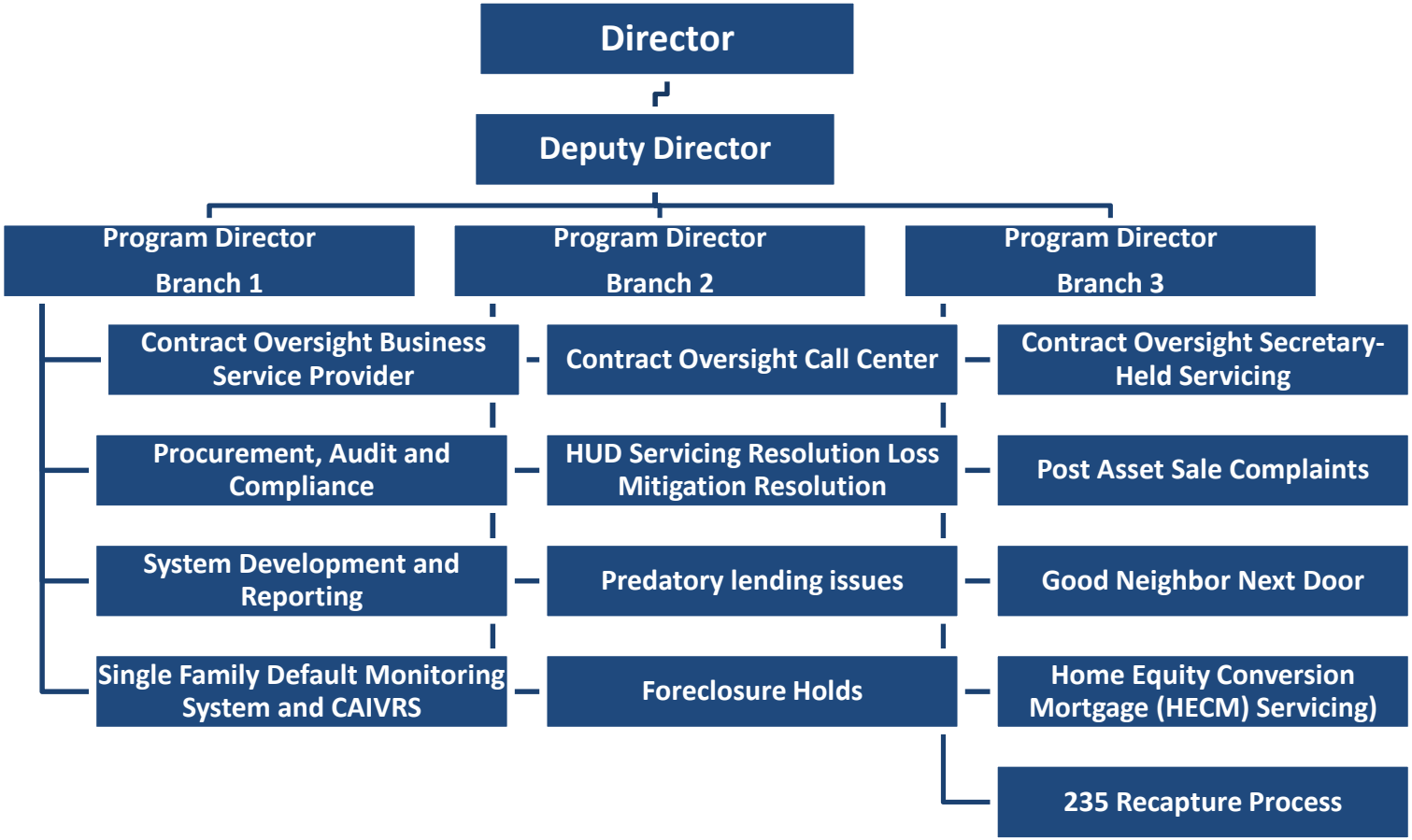
Standard

- The Mortgagee must provide mortgage information and arrange for individual consultation, upon request by the Borrowers
- The Mortgagee must comply with all laws, rules, and requirements applicable to third-party access to mortgage information

Ref: HUD Handbook 4000.1, Sec.III.A.1.d

Default Servicing Activities

National Servicing Center Organizational Structure



Key Terms
General Loss Mitigation

DELINQUENT: A loan is considered delinquent any time a payment is due and not paid

DATE OF DEFAULT (DOD): A Mortgage is in Default when the Borrower fails to make any payment or to perform any other obligation under the Mortgage for a period of 30 Days

Example: Last paid installment (LPI) – Feb. 1
First payment missed – March 1
Date of default = April 1

HUD Handbook 4000.1, Sec.III.A.2.a.i

Key Terms
General Loss Mitigation (Cont'd)

- **FIRST LEGAL DEADLINE (FLD):** 6 months from the Date of Default

Example: Last paid installment – May 1, 2015
Oldest unpaid installment – June 1, 2015
Date of default – July 1, 2015
First Legal Deadline = Jan. 1, 2016

HUD Handbook 4000.1 Sec. III A.2.r

Default Servicing
Reporting to Consumer Agencies and the IRS

The Mortgagee is responsible for:

- Complying with applicable law and federal regulations relating to reporting to consumer reporting agencies; and
- Ensuring that all reported information is accurate
- Mortgagee is also responsible for any required IRS reporting regarding acquisition of secured Property or cancellation of mortgage debt

Ref: HUD Handbook 4000.1, Sec.III.A.2.c

Default Servicing
Late Charges

Definition:

- Late Charges are charges assessed if a Mortgage Payment is received more than 15 Days after the due date

Standard:

- The Mortgagee may consider a Borrower's payment late if the payment is received by the Mortgagee more than 15 Days after the due date
  - The Mortgagee may assess a Late Charge on the 17th Day of the month
- For Mortgages assigned a case number **on or after March 14, 2016**, the Mortgagee may assess a Late Charge, not to exceed 4% of the overdue payment of Principal and Interest (P&I) and in accordance with applicable law
- For Mortgages assigned a case number **before March 14, 2016**, the Mortgagee may assess a Late Charge calculated based on overdue PITI if permitted under the terms of the Mortgage Note and under applicable law

Ref: HUD Handbook 4000.1, Sec.III.A.2.d

Default Servicing
Partial Payments for Mortgages in Default

Acceptance of Partial Payments:

- **Unless subject to the exceptions in the Return of Partial Payments for Mortgage in Default section, the Mortgagee must accept any Partial Payment and either:**
  - Apply the payment to the Borrower's account; or
  - Identify the payment with the Borrower's account and hold the payment in a suspense account
  - When a full monthly installment due under the Mortgage is accumulated, the Mortgagee must apply that amount to the Borrower's account

Ref: HUD Handbook 4000.1, Sec.III.A.2.e

Default Servicing
Partial Payments for Mortgages in Default (cont'd)

Acceptable circumstances where a Partial Payment may be returned to a Borrower:

- When the payment represents less than half of the full amount then due
- When the payment is less than the amount agreed to in an oral or written Forbearance Plan
- When the payment is less than the amount stated in an approved Trial Payment Plan Agreement, whether or not an executed Agreement is received by the Mortgagee
- When the Property is occupied by a rent-paying tenant and the rents are not being applied to the Mortgage Payments
- When foreclosure has been started; or
- When it is 14 Days or more after the Mortgagee has mailed the Borrower a statement of the full amount due, including Late Charges, which advises that it intends to refuse to accept future Partial Payments and either of the following conditions have occurred:
  - Four or more full monthly installments are due but unpaid; or
  - A delinquency of any amount, including Late Charges, has continued for at least six months since the account first became Delinquent

Ref: HUD Handbook 4000.1, Sec.III.A.2.e.

Default Servicing
FHA Lien Status

- The Mortgagee must preserve the first-lien status of the FHA-insured Mortgage
- HUD will not pay a claim on a Mortgage that lacks first priority position

Ref: HUD Handbook 4000.1, Sec.III.A.2.f.

Default Servicing
Imminent Default

Definition:

- A Borrower who is current or less than 30 Days past due on their Mortgage Payment and is experiencing a significant, documented reduction in income or some other hardship that will prevent them from making the next required Mortgage Payment during the month that it is due

Standard:

- Mortgagee must obtain documentation necessary to verify that the Borrower is experiencing a significant reduction in income or some other hardship that will prevent them from making the next required Mortgage Payment during the month that it is due

Ref: HUD Handbook 4000.1, Sec.III.A.2.g.

Default Servicing
Early Default Intervention

Mortgagee must determine the Borrower's ability to make monthly Mortgage Payments and take loss mitigation action or commence foreclosure, within six months of the date of Default

- An Extension of time must be approved by the NSC via the **Extensions and Variances Automated Requests System (EVARS)** https://evars.hudtulsa.org/index.cfm?fuseaction=evars.Home

Notification of Default

- The Mortgagee must notify each Borrower, co-signer, and any other party requiring notice by state law that the Mortgage is in Default

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
SFDMS Default Reporting Overview

The Single Family Default Monitoring System (SFDMS) is HUD's system for tracking Mortgagee data on delinquent mortgages until a delinquency is resolved through reinstatement or termination.

- Mortgagee must report delinquent servicing activities for all mortgages that are 30, 60, and 90 Days or more delinquent as of the last day of the month

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
SFDMS Default Reporting – What to Report

The Mortgagee must report the statuses of three classes of mortgages each month:

- **New Delinquencies:** The Mortgagee must report Delinquent accounts when one full installment is due and unpaid (30 Days Delinquent - Status Code 42) and must continue reporting the applicable Status Code until the delinquency is resolved
- **Open Delinquencies:** The Mortgagee must continue to report a Status Code 42 until a servicing action has been initiated/approved and/or completed which would warrant a Status Code change
- **Delinquencies Resolved During the Cycle Month:** The Mortgagee must report the appropriate Status Code to reflect that the delinquency has been addressed

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
SFDMS Default Reporting – When to Report

Timeframe for Reporting

- Mortgagee must submit delinquency data documenting the status as of the end of the month
- The Mortgagee must submit this data by the **fifth business day of the following month**
- Mortgagees may submit additional delinquency data throughout the month

SFDMS Codes

- The Mortgagee must report the correct Delinquency/Default Status (DDS) Code reflecting the status of the Mortgage
  - The Mortgagee must include applicable status dates when reporting DDS Codes
  - SFDMS permits the submission of delinquency data throughout the month
- The Mortgagee must ascertain and report the specific reason for the Delinquency/Default using the Delinquency/Default Reason (DDR) Codes

Error Reports and Correction

- The Mortgagee may receive Error Reports from two systems:
  - EDI, which provides the All Transaction Sets 824 (TS824) Report (see the Electronic Data Interchange Implementation Guide for additional information); or
  - FHA Connection FHAC
- The Mortgagee is responsible for retrieving Error Reports from these systems and submitting necessary corrections by the **fifth business day**
- ***HUD will not provide additional time to enter corrections***

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing Communication Timeline: Day 1-32

Day	Mortgagee Action
1	Payment due date; no action required until the mortgage becomes delinquent.
10	The Mortgagee must begin attempts at telephone contact with Borrowers at risk of Early Payment Default or Re-Default in accordance with the Specialized Collection Techniques for Early Payment Default section.
17	The Mortgagee must begin attempts to make telephone contact with the Borrower with a Delinquent Mortgage in accordance with the Telephone Contact Efforts section.
20	The Mortgagee must begin mail or electronic communication collection attempts.
30	The Mortgagee must report the delinquency to HUD via SFDMS.
32	The Mortgagee must send the following: •Notice of Homeownership Counseling Availability; •Servicemembers Civil Relief Act (SCRA) Disclosure (form HUD-92070); •Delinquency Notice Cover Letter; and •"Save your Home – Tips to Avoid Foreclosure" pamphlet (form HUD-2008-5-FHA)

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing Communication Timeline: Day 45-90

Day	Mortgagee Action
45	The Mortgagee should begin analysis to identify appropriate Loss Mitigation Options, if any.
	If unable to reach the Borrower(s), the Mortgagee must perform an Occupancy Inspection.
61	The Mortgagee must attempt a face-to-face interview with the Borrower no later than this date, unless exempt under 24 CFR 203.604.
90	The Mortgagee must report the appropriate Default Reason Code for the Default in SFDMS.
	The Mortgagee must have evaluated all Loss Mitigation Options to determine whether any are appropriate. The Mortgagee must reevaluate for Loss Mitigation each month thereafter.

RESOURCES

- "Save Your Home: Tips to Avoid Foreclosure" Brochure
- Service member's Civil Relief Act (SCRA) Notice:
  Toll-free military one-source number (1-800-342-9647)
- HUD-approved Housing Counseling Agencies
  (1-800-569-4287)

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing - Specialized Collection Techniques for Early Payment Defaults and Re-Defaults

Early Payment Defaults (EPD):

- Early Payment Defaults refer to all Mortgages that become 60 Days Delinquent within the first six payments.

Re-Defaults:

- A Re-Default is a mortgage Default occurring within six months after reinstatement or the successful use of a permanent Home Retention Option.

For Borrowers at risk of EPD or Re-Default the Mortgagee must:

- Commence telephone contact by the 10th day after the first missed payment
- Make a minimum of 2 calls per week, after the 10th day of delinquency until:
  - Contact is established
  - Phone contact information is determined to be inaccurate or no longer in service, or
  - Mortgagee determines through an Occupancy Inspection that the Property is vacant or abandoned; **and**
  - Make reasonable efforts to obtain an alternate phone number and/or follow up with the Borrower using other methods of communication until contact is established

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
Telephone Contact Efforts

Mortgagee must attempt to contact the Borrower via telephone beginning on the 17-20th Day of delinquency, calling a minimum of two times per week until:

- Contact is established; or
- Mortgagee has determined through an Occupancy Inspection that the mortgaged Property is vacant or abandoned

After establishing live contact, the Mortgagee must:

- Determine whether the Borrower is occupying the Property
- Determine the reason for the delinquency, **and**
- Inform the Borrower about the availability of Loss Mitigation Options

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
Collection Letters and Electronic Communications

Collection Letters & Automatic Notices

- The Mortgagee must begin mail or electronic communication collection attempts must begin between the 20-25th day of delinquency

Electronic Methods of Communications

- Mortgagee may use the following methods to communicate electronically with the Borrower:
  - Email
  - Secure web portals (such as online account management tools accessible by borrowers)
  - Other reliable communication methods with proven results
    - Must comply with all requirements of E-SIGN Act, 15 U.S.C. 70001
    - All communications must include Mortgagee's email address, telephone number, and/or website address

Selecting Method of Communications

- Mortgagees should use the methods most likely to achieve substantive communication with each Borrower
- Mortgagee must effectively communicate with persons with hearing, visual, and other communications-related disabilities and persons with limited English proficiency

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
Assigned Loss Mitigation Personnel

Servicing Staff must be competent personnel trained to perform their assigned responsibilities.

- The Mortgagee must designate personnel to respond to the Borrower's inquiries and to assist them with Loss Mitigation Options no later than the 45th Day of delinquency
- Mortgagee must provide the contact information of their loss mitigation or customer assistance hotline, offering direct phone access to assigned loss mitigation personnel, in the *Delinquency Notice Cover Letter*

Ref: HUD Handbook 4000.1, Sec.III.A.2.h; 24 CFR 202.5 (b)

Default Servicing
Occupancy Inspections

Occupancy Inspection

- A visual inspection of a mortgaged Property by the Mortgagee to determine if the mortgaged Property has become vacant or abandoned and to confirm the identity of any occupants

Occupancy Follow-Up

- An attempt to communicate with the Borrower via letter, telephone, or other method of communication, other than on-site inspection, to determine occupancy when the Mortgage remains in default after the initial inspection and the Mortgagee has not determined the Borrower's occupancy status

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
Occupancy Inspections

Initial Occupancy Inspection

- Mortgagee must perform the initial Occupancy Inspection no later than the 60th Day of delinquency when:
  - The Mortgage is in Default;
  - A payment has not been received within 45 Days of the due date; and
  - Efforts to reach the Borrower or occupant have been unsuccessful

Follow-Ups and Continued Inspections

- If Mortgagee is unable to determine Borrower's occupancy status through the initial Occupancy Inspection Mortgagee must perform Occupancy Follow-Ups, and
- If necessary, Occupancy Inspections every 25-35 Days from the last inspection until the occupancy status is determined

Occupancy Inspections during Bankruptcy

- When payments are not submitted as scheduled by a Borrower in bankruptcy, Mortgagee must contact the bankruptcy trustee or the filing attorney for information concerning the status of the Borrower, to determine if an Occupancy Inspection is needed
- Mortgagee must continue to perform exterior-only visual inspections

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
Occupancy Inspections

Determination that the Property is Vacant or Abandoned

- If the Mortgagee determines through an Occupancy Inspection that the Property is vacant or abandoned, the Mortgagee must:
  - Send a letter, via certified mail or other method, providing delivery confirmation to Borrowers at the property address informing them of the Mortgagee's determination that the Property is vacant or abandoned
  - Letter must include the Mortgagee's contact information
  - Commence Vacant Property Inspections; and
  - Take appropriate Property Preservation and Protection actions to secure and maintain the Property

Inspection Reports

- Mortgagees must document in its inspection report the general condition of the Property, as well as any actions taken to protect and preserve the Property

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Default Servicing
Vacant Property Inspections

- Mortgagee must take reasonable actions to protect the value of the security, including performing the following required inspections for vacant or abandoned Properties:
  - **An Initial Vacant Property Inspection** is the first inspection performed by the Mortgagee to ascertain the condition of a vacant or abandoned Property
  - Mortgagee must perform the Initial Vacant Property Inspection on the date it takes possession of a vacant or abandoned Property

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Vacant Property Inspections

Reporting Occupancy Status and Date

- Mortgagee must advise HUD when the mortgaged Property becomes vacant by reporting in SFDMS

Vacant Property Inspection Cycle

- Mortgagee must perform Vacant Property Inspections every 25-35 Days after the Initial Vacant Property Inspection
- ***Mortgagee is liable for any damage resulting from the Mortgagee's failure to preserve and protect the Property unless the Mortgagee can prove that the damage occurred prior to the date the Property became vacant***

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Face-to-Face Interviews

***Mortgagee must have a face-to-face interview with the Borrower or make a reasonable effort to arrange a face-to-face interview no later than the 61st Day of delinquency, unless exempt*.**

- The Mortgagee is not required to conduct a face-to-face interview if:
  - the Borrower does not live in the mortgaged Property
  - the holding Mortgagee, Servicing Mortgagee, or branch office of either is not located within 200 miles of the mortgaged Property (unless the Mortgage is insured under Section 248)
  - the Borrower has clearly indicated that they will not cooperate with a face-to-face interview; or
  - the Borrower's payment is current due to an agreed-upon repayment plan or Forbearance Plan

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Face-to-Face Interviews

Reasonable Effort in Arranging a Face-to-Face Interview

- The Mortgagee must send to the Borrower via certified mail a letter providing information on:
  - The availability of face-to-face interviews; and
  - How to schedule the interview
- The Mortgagee must attempt to contact the Borrower at the mortgaged Property to provide information on the availability of face-to face interviews
- The Mortgagee may use a third-party vendor to establish this contact with the Borrower and to ***schedule*** the Borrower's face-to-face interview with a **Mortgagee representative**
  - Employee representing the Mortgagee at face-to-face interviews must have the authority to propose and accept reasonable repayment plans

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

Test Your Knowledge

1. Servicers should call a delinquent borrower a minimum _____ times per week at varying times and days of the week, until contact is established or until the Mortgagee determines that the property is vacant or abandoned.

   A. Two
   B. Three
   C. Four

2. The Homeownership Counseling Notification is required to be sent to all FHA-insured Borrowers by the ____ day of delinquency.

   A. 60th
   B. 45th
   C. 33rd
   D. 50th

3. The Mortgagee must commence telephone contact with borrowers at risk of early payment default or re-default by the 20th day of default.

   A. True
   B. False

HUD's Loss Mitigation Program

Loss Mitigation Review
Loss Mitigation Requests

- Mortgagee must timely evaluate and respond to Complete Loss Mitigation Requests
- Loss mitigation requests received after the initiation of foreclosure, must be evaluated and responded to according to the timeframe requirements in *Loss Mitigation during the Foreclosure Process*
- Mortgagee must notify Borrower in writing of incomplete requests

Ref: HUD Handbook 4000.1, Sec.III.A.2.i

Loss Mitigation Review
Borrower's Financial Analysis

A detailed financial analysis is required on all Retention and Standard Disposition Options.

- Financial information may be obtained initially by phone
- Must independently verify financial information by obtaining a credit report or other verification the Mortgagee deems appropriate

Ref: HUD Handbook 4000.1, Sec.III.A.2.i

Loss Mitigation Review
Financial Analysis Calculations

- The Mortgagee's Financial calculations must include:
  - Fluctuations in income and expenses each month of a proposed Special Forbearance, or in the case of other Options for a minimum of 3 months
- Surplus Income and Percentage calculations
  - Surplus Income = Net Monthly Income – Expenses and PITI
  - Surplus Income Percentage = Surplus income /divided by Monthly Net Income
- **Continuous Income** must be reasonably likely to continue from the date of the Mortgagee's loss mitigation evaluation through at least the next 12 months

Ref: HUD Handbook 4000.1, Sec.III.A.2.i

Loss Mitigation Review Requirements

90-Day Review Requirement

- Mortgagee must complete a loss mitigation review before four monthly installments are due and unpaid
- Mortgagee must send a written Notice to Borrower after Loss Mitigation review

Monthly Review

- Mortgagee must evaluate on a monthly basis all Loss Mitigation Options available for Borrowers in default as long as the mortgage remains delinquent

Eligibility to Participate

- Mortgagee must utilize the following systems to determine the Borrower is not excluded from HUD's Loss Mitigation Program:
- Limited Denial of Participation list (LDP)
  - System for Award Management (SAM) exclusion lists
  - Credit Alert Interactive Reporting System (CAIVRS)
    - CAIVRS check is not required for FHA-HAMP option only

Ref: HUD Handbook 4000.1, Sec.III.A.2.i

Loss Mitigation Agreements

Standard

- Mortgagee must ensure that Loss Mitigation Option Agreements are executed by all parties necessary to ensure:
  - HUD's first lien position is preserved; and
  - The Agreement is enforceable under state and local law

Mortgagee Signature

- Where a Mortgagee signature is needed on a Loss Mitigation Option Agreement, the servicing Mortgagee with this delegated authority may provide this signature

Authorized Third Parties

- When a Loss Mitigation Option Agreement is to be signed by an Authorized Third Party with authority to act on behalf of the Borrower:
  - Mortgagee must ensure that the Claim Review File includes a copy of that party's authorization

Electronic Signatures

- The use of electronic signatures is voluntary
- HUD will accept an electronic signature conducted in accordance with the Policy on Use of Electronic Signatures on HUD Loss Mitigation documents requiring signatures, unless otherwise prohibited by law

Ref: HUD Handbook 4000.1, Sec.III.A.2.i.

Loss Mitigation Review
Bankruptcy Proceedings

- Mortgagee may review Borrowers with active Chapter 7 or 13 bankruptcy cases for Loss Mitigation Options to the extent that loss mitigation does not violate federal bankruptcy laws or orders of the bankruptcy court or bankruptcy trustee
- Upon Receipt of Notice of a Bankruptcy Filing, Mortgagee must send information to the Borrower's attorney indicating that loss mitigation may be available
  - Including instructions sufficient to facilitate workout discussions
- Borrower without an Attorney, should be provided information of available Loss Mitigation Options, and provide a copy to the Bankruptcy Trustee
  - Mortgagee must ensure that this communication does not infer that it is in any way an attempt to collect a debt

Ref: HUD Handbook 4000.1, Sec.III.A.2.i.

FHA Escalated Cases Overview

Escalated Cases

- Escalated cases are defined as written borrower inquiries and complaints that include allegations of:
  - Improper analysis of Borrower information or denials of loss mitigation options
  - Foreclosures initiated or continued in violation of HUD's policy
  - Any other violations of HUD Collections and Loss Mitigation policies, as stated in HUD Handbook 4000.1 and in HUD's published mortgagee letters
- Cases must be escalated to a Mortgagee's designated escalation team at the written request of HUD Staff, Borrower, or their authorized Representative

Ref: HUD Handbook 4000.1, Sec.III.A.2.i

FHA Escalated Cases
Process and Written Policy Guidance

Escalation Process

- Designated staff responsible for resolving escalated cases must not be responsible for the first evaluation of the loss mitigation application and must have access to Borrowers' servicing files
- Staff must notify the Borrower in writing that the inquiry/complaint has been escalated and resolution will be provided no later than 30 days from the date of escalation
- If Mortgagee is unable to resolve within 30 days, must send the Borrower written updates on the status every 15 days until resolved
- Provide Borrowers with the direct contact info for department and/or staff member responsible for resolution

Ref: HUD Handbook 4000.1, Sec.III.A.2.h

LOSS MITIGATION OPTION PRIORITY

Forbearance Plans

- Informal Forbearance Plan
- Formal Forbearance Plan

Home Retention Options:

- Special Forbearance
- Loan Modification
- FHA's Home Affordable Modification Program (HAMP)

Home Disposition Options:

- Preforeclosure Sale
- Deed-In-Lieu of Foreclosure

Ref: HUD Handbook 4000.1, Sec.III.A.2.j.

Loss Mitigation
Mortgage Status

- Mortgagee must review for Loss Mitigation Options those Borrowers who are in Default or in Imminent Default
- A streamlined or refinanced Mortgage on the same Property and by the same Borrowers is not considered a new Mortgage for seasoning requirements

Ref: HUD Handbook 4000.1, Sec.III.A.2.j.

Loss Mitigation
Occupancy Requirements

Informal or Formal Forbearance Options

- Owner- Occupied Borrowers
- Non-Owner Occupants

Retention Options:

- Property must be owner-occupied for all Retention Options

Disposition Options:

- Standard Option - Property must be owner-occupied
  - Allowable exceptions:
    - Rental does not exceed 18 months,
    - Property was not purchased as investment, or
    - The need to vacate is related to the reason for default.
- Streamline Option – Property may be owner-occupied or non-owner occupied (subject to qualifications)

Ref: HUD Handbook 4000.1, Sec.III.A.2.j.

Loss Mitigation
Borrowers with Multiple FHA-Insured Mortgages

- Mortgagee may consider Loss Mitigation Options other than the Deed-in-Lieu (DIL) Option for those Borrowers who meet the eligibility requirements for policy exceptions listed in the Exceptions to the FHA Policy Limiting the Number of Mortgages per Borrower section
  - See HUD Handbook 4000.1 Sec. II, A.1.b General Mortgage Insurance Eligibility
    - Relocation
    - Increase in Family Size
    - Vacating a jointly-owned Property
    - Non-occupying co-Borrower

Ref: HUD Handbook 4000.1, Sec.III.A.2.j.

Loss Mitigation
Eligibility Through Transfer of Title

Non-Borrowers who Acquired Title through an Exempted Transfer

- The Mortgagee may consider Home Retention Options for a non-borrower who acquires title to a Property securing an FHA-insured Mortgage if the mortgage is not due and payable pursuant to the Garn-St. Germain Depository Institutions Act, and the non-borrower:
  - Will occupy the home as a Principal Residence
  - Submits to a credit review
  - Meets financial criteria for loss mitigation assistance
  - Is willing to assume personal liability for repayment of the Mortgage in accordance with the agreed loss mitigation terms

Non-Borrowers who Acquired Title not through an Exempted Transfer

- The Mortgagee may consider loss mitigation for a non-borrower who is not covered by an exempted transfer under the Garn-St. Germain Depository Institutions Act and who acquired title but does not hold sole title to the Property as follows:
  - The non-borrower will be added as a Borrower
  - The non-borrower will be considered for loss mitigation with the cooperation and approval of the existing Borrowers

Ref: HUD Handbook 4000.1, Sec.III.A.2.j.

Loss Mitigation
Imminent Default Options

- FHA Loss Mitigation Home Retention Options applicable for Imminent Default include:
  - Informal Forbearance Agreement
  - Formal Forbearance Agreement
  - FHA- HAMP

FHA Loss Mitigation Home Retention Option Priority Order Waterfall – Initial Assistance

Step	Decision Point	Yes	No
1	Household or Borrower(s) has experienced a verifiable loss of income or increase in living expenses.	Step 2	Informal or Formal Forbearance/Repayment Plan
2	One or more Borrowers receives continuous income?	Step 3	Special Forbearance
3	Surplus Income is at least $300 and greater than 15% of borrower's net income?	Step 4	FHA-HAMP (Step 6)
4	85% of Surplus Income is sufficient to cure arrears within 6 months?	Formal Forbearance/ Repayment Plan for 6 months	Modification (Step 5)

Ref: HUD Handbook 4000.1, Sec.III.A.2.j

FHA Loss Mitigation Home Retention Option Priority Order Waterfall – Standard Loan Modification

Step	Decision Point	Yes	No
5	Modification would reduce monthly payment by at least the greater of 10% and $100?	Modified interest rate must not exceed 25 bps above Freddie Mac average, rounded to the nearest 1/8th, at time Trial Payment Plan is offered to Borrower Term of modified loan must be 30 years	FHA-HAMP (Step 6)

Ref: HUD Handbook 4000.1, Sec.III.A.2.j

FHA Loss Mitigation Home Retention Option Priority Order Waterfall – FHA HAMP

Step 6

FHA HAMP may include two parts - Partial Claim and/or a Loan Modification

Part 1 - Partial Claim

Total amount available is the lesser of:

1. UPB as of the Date of Default associated with the Initial Partial Claim if applicable
   * 30%, less any previous partial claim(s) paid on this mortgage; or UPB as of the Date of the Current Default if No Partial Claims
   * 30%
2. Total amount required to meet the Target Payment. This amount may include:
   1. Arrearages; and/or
   2. Legal fees and foreclosure costs related to a canceled foreclosure action; and/or
   3. Principal deferment (if required)

Part 2 – Loan Modification

6.1. Calculate the target monthly payment:

- A. Calculate 31% of gross income
- B. Calculate 80% of current mortgage payment
- C. Calculate 25% of gross income
- D. Take the greater of B and C
- E. Take the lesser of A and D

6.2. Calculate monthly payment on the total outstanding debt required to bring the loan current. Must be at the fixed market interest rate and re-amortized to a 360 month term

Ref: HUD Handbook 4000.1, Sec.III.A.2.j

FHA Loss Mitigation Home Retention Option Priority Order Waterfall – FHA HAMP (cont'd)

Step 6	Continued
6.3.	If result of Step 6.2 Loan Modification (PITI) is lower than result from Step 6.1.E. (Target Payment), Borrower is eligible for a Stand-Alone FHA HAMP Loan Modification at the market interest rate. Borrower is not eligible for a Partial Claim. If result of Step 6.2 Loan Modification (PITI) is greater than result from Step 6.1.E. (Target Payment), proceed to Step 4.
6.4.	Calculate amount required to meet Target Payment
	A. Reduce loan balance used in Step 6.2 (Total Amount to be resolved) until calculated mortgage payment reaches target payment amount from Step 6.1.E or the maximum allowable principal deferment is reached per amount available as calculated above under Partial Claim. B. If the final mortgage payment is greater than 40% of current gross income, and there is verifiable unemployment status, Borrower is eligible for reduced payment option under Special Forbearance. If there is no verifiable unemployment status, and Borrower does not qualify for retention options, Borrower should be reviewed for disposition options.

Ref: HUD Handbook 4000.1, Sec.III.A.2.j

FHA-HAMP/Loan Mod Borrower Eligibility

Neighborhood Watch - Case Query Enhancements

Added partial note amount and unpaid balance claimed fields to the Claim Information section of FHA Case Details. These new fields are visible on all cases that have loss mitigation claims paid.	**The current servicer may view the following fields in the Claim Information section of the FHA Case Details screen for the prior case(s):** • Form Type • Date Received Date Prepared • Date Processed • Claim Type • Total Paid • Date Paid • Unpaid Balance Claimed (New) • Partial Note Amount (New)	**The current servicer may view the following fields in the Loan Processing section of the FHA Case Details screen for the prior case(s):** • Closing Date • Beginning Amortization Date

Neighborhood Watch Case Query
Reviewing Previous Claim Information

Claim Information

Loss Mitigation Retention Claim Information

Form Type	Date Received/ Prepared/ Processed	Claim Type	Total Paid	Date Paid	Payee	Unpaid Balance Claimed	Partial Note Amount
A	11/06/12 11/06/12 11/07/12	33 - Partial Claim	$2,748.36	11/10/12	[redacted]	$58,397.02	$2,248.36
A	11/15/12 11/15/12 11/16/12	32 - Loan Modification	$845.00	11/19/12	[redacted]	$58,397.02	$0.00

**** Current Servicer of Refinance Case is Authorized to view Prior Case Loss Mitigation data ****

Loss Mitigation Retention Claim Information For Prior Case Number [redacted]

Closing Date 07/06/93 - Beginning Amortization Date 08/01/93

Form Type	Date Received/ Prepared/ Processed	Claim Type	Total Paid	Date Paid	Payee	Unpaid Balance Claimed	Partial Note Amount
A	05/11/06 05/11/06 05/12/06	31 - Special Forbearance	$100.00	05/15/06	[redacted]	$72,478.02	$0.00

Loss Mitigation
Time Requirements for Initiation of Foreclosure

Mortgagees must utilize one of the Loss Mitigation Options or initiate foreclosure within six months of the Date of Default.

- Mortgagee must report the appropriate action through SFDMS

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation

Initiation of Foreclosure

Foreclosure may not be commenced unless at least 3 consecutive monthly payments are unpaid.

Foreclosure for monetary default can be initiated if:

- Mortgagee determined Borrower does not qualify for Loss Mitigation, and
- Notified Borrower in writing, and
- Borrower rejected any available appeal
- Borrower failed to perform under Loss Mitigation agreement; and
- Borrower is Ineligible for other Loss Mitigation Options
- Mortgagee is unable to determine eligibility, due to Borrower's non-responsiveness

Mortgagee may initiate foreclosure on a delinquent loan prior to 3 payments are unpaid if:

- Mortgagee determines property is abandoned or vacant for more than 60 days
- After being advised of their options, Borrower provides a written statement that they have no intent of fulfilling their mortgage obligation
- Property is occupied by tenants, but rental income is not be applied to the mortgage debt
- Property is owned by a corporation or partnership

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation
During the Foreclosure Process
Borrower Communication

- Mortgagees are to keep communication lines open with Borrower
- If Borrower advises their circumstances have changed the Mortgagee is to re-review the Borrower
- Mortgagee may continue with foreclosure while re-evaluating the Borrower

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation During the Foreclosure Process Requests for Additional Documents

Mortgagee must notify the Borrower in writing if the Loss Mitigation request is incomplete.

- Must advise what documents are required
- When the documents are due back to the Mortgagee
- Notice is to include advisement to the Borrower to consider contacting other Mortgagees who have secured mortgage loans on the same property

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation Review Timeline During the Foreclosure Process

Loss Mitigation Request Received by Mortgagee	Mortgagee Action
45 or more calendar days prior to the scheduled foreclosure sale date:	Within 5 business days of receiving the request, the Mortgagee must notify the Borrower in writing that:
	• The Borrower's request has been received, and
	• The request is complete or incomplete (See the section of this Mortgagee Letter entitled "Requests for Additional Documents.")
	• Within 30 days of receiving a complete request, the Mortgagee must review the Borrower's loss mitigation request for eligibility for all retention and non-retention loss mitigation options.
	• A Mortgagee must not move forward with a scheduled foreclosure sale during its review.

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation Review Timeline During the Foreclosure Process (cont'd)

Loss Mitigation Request Received by Mortgagee	Mortgagee Action
More than 37 calendar days prior to the scheduled foreclosure sale date, but less than 45 calendar days prior to the scheduled foreclosure sale date:	• Within 30 days of receiving a complete request, the Mortgagee must review a Borrower's request for eligibility for loss mitigation options. • If an incomplete request is received and is not completed despite the Mortgagee's repeated requests to the Borrower for information, a Mortgagee may, at its discretion, evaluate an incomplete loss mitigation application and offer a proprietary, non-incentivized loss mitigation option. • A Mortgagee must not move forward with a scheduled foreclosure sale during its review.

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation Review Timeline During the Foreclosure Process (cont'd)

Loss Mitigation Request Received by Mortgagee	Mortgagee Action

Fewer than 37 calendar days prior to the scheduled foreclosure sale date:	• A Mortgagee must use its best efforts to complete a thorough and accurate review of a Borrower's request for loss mitigation.
	• The Mortgagee is not required to suspend the foreclosure sale.
	• The Mortgagee may proceed with a foreclosure sale if the Mortgagee:
	  • Determines after its review that a Borrower is ineligible for loss mitigation, or
	  • Using its best efforts is still unable to complete a thorough and accurate review of a Borrower's request by the scheduled foreclosure sale date.
	  • Efforts must be documented in the Mortgagee's files.

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation During the Foreclosure Process
Terminating Foreclosure Proceedings

- When a Borrower requests Loss Mitigation assistance after the Mortgagee has initiated foreclosure, the Mortgagee must terminate the foreclosure proceedings after:
  - Verifying the Borrower qualifies for a Loss Mitigation Option
  - Allowing the Borrower 14 calendar days to accept or reject the Mortgagee's offer
  - Mortgagee receives an executed Loss Mitigation Option Agreement from the Borrower
  - Receiving a signed sales contract under a PFS program, or
  - An executed DIL agreement

Mortgagee must *suspend* foreclosure proceeding during the Trial Payment Plan

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Loss Mitigation During the Foreclosure Process
Internal Mortgagee Communication

Mortgagees must ensure strong communication between their Loss Mitigation and Foreclosure Departments.

- All Departments must be aware the Borrower's file is under Loss Mitigation review
- Coordination of Loss Mitigation efforts should include the sharing of documentation and information related to the Borrower's delinquency

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Foreclosure Initiation
Management Foreclosure Review

The Management Foreclosure Review Committee is to ensure that FHA servicing requirements have been followed and steps have been taken to save a mortgage prior to making a decision to foreclose.

- Management Review
- Omitted Actions

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

Servicer Tier Ranking System II

- The Tier Ranking System (TRS) II is a methodology for measuring a Mortgagee's performance in complying with HUD's Loss Mitigation Program
- Policy Guidance on TRS II can be found in:
  - *Section V. QUALITY CONTROL, OVERSIGHT AND COMPLIANCE*
  - C. Mortgage Monitoring
    - 2. Institutional Mortgagee Monitoring c. Mortgagee Tier Ranking System II

Ref: HUD Handbook 4000.1, Sec. V.C.2.c

Test Your Knowledge

1. If a request for loss mitigation is received fewer than 37 calendar days prior to the scheduled foreclosure sale date, the Mortgagee is not required to review the Borrower for loss mitigation.

   A. True
   B. False

2. The Loss Mitigation Options applicable for Imminent Default mortgages are Informal and Formal Forbearance Agreements, and FHA-HAMP.

   A. True
   B. False

3. A Mortgagee may reject a Borrower based on financial information obtained verbally over the phone.

   A. True
   B. False

Informal / Formal Forbearance Plans and Special Forbearance – Unemployment Option (SFB)

Informal and Formal Forbearance Plans

Informal Forbearance

- Oral agreement between the Mortgagee and Borrower to bring the loan current in a period of 3 months or less

Formal Forbearance

- Written agreement between the Mortgagee and Borrower for a period greater than 3 months and no more than 6 months
- May allow for a period of reduced or suspended payments
- Mortgage must be brought current within 6 months
- Required for Borrowers whose Surplus Income is sufficient to cure delinquency within 6 months

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option

Eligibility Requirements:

- Must be a structured written agreement that allows a Borrower to seek employment
- Borrower must be 3 months delinquent (61 days) but not more than 12 months delinquent PITI
- Loan may not be in Foreclosure when SFB-Unemployment Agreement is executed
- Must have a verifiable loss of income or increase of expenses due to loss of Employment
- Must be Owner Occupant
- If One or more Borrowers are currently receiving continuous income :
  - Mortgagee must review all Borrowers under the Home Retention Priority Waterfall to determine SFB-Unemployment Option is the best or only option available for the Borrower

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option

Required Documentation:

- Mortgagee must obtain from the Borrower supporting documentation of the Borrower's unemployment:
  - Third Party Documentation including receipts of unemployment benefits; or
  - An affidavit signed by the Borrower

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

Special Forbearance (SFB) – Unemployment Option Property Condition

- Mortgagee must conduct any review it deems necessary, including a property inspection, when the Mortgagee has reason to believe that the physical conditions of the property adversely impact the Borrower's use or ability to support the debt

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option Written Agreement

Requirements:

- Must allow a minimum of 12 months for re-employment
- Agreement must identify the specific months for which the account is delinquent and include the total arrearage amount
- Suspends and/or reduces the current monthly mortgage payment
- Forbearance Payment must be based on the Borrower's ability to pay
- No late fees may be assessed during the SFB period
- Delinquency not to exceed 12 months PITI
- Borrower may pre-pay
- **The SFB-Unemployment Agreement is considered "executed" when:**
  - At least one of the Borrowers has signed and dated the Agreement
  - The Agreement has been returned to the Mortgagee; and
  - The authorized Mortgagee representative has also signed and dated the Agreement

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option

Cancellation or Suspension of Foreclosure Requirements:

- Upon execution of an SFB-Unemployment Agreement, if foreclosure has already been initiated, Mortgagee must cancel or temporarily suspend foreclosure action, where such suspension is permissible under state law

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

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Special Forbearance (SFB) – Unemployment Option Review Requirements

Monthly Review Requirements:

- Mortgagee must determine if Borrower is performing under SFB – Unemployment Agreement
- Ensure delinquency does not exceed total of 12 monthly payments of principal, interest, taxes and insurance (PITI)

Renegotiation:

- Special Forbearance Agreements may be re-negotiated if the Borrower's financial circumstances change

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option

Payment Application Requirements:

- The Mortgagee may reduce, suspend, or both, the required monthly Mortgage Payment for the time period of the SFB-Unemployment Agreement
- Payments must be placed in a suspense or memo fund account
- When the suspense funds total a full monthly payment, the Mortgagee must apply the payment to the Borrower's account

Allowable Foreclosure Related Fees and Costs:

- Foreclosure-related fees and costs due to a foreclosure cancellation/suspension may be collected through the qualification of a permanent Loss Mitigation Option or at the expiration of SFB-Unemployment Agreement
- Mortgagee may not require the Borrower to pay more than the foreclosure-related fees and costs HUD has identified as customary and reasonable

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option Expiration of SFB Agreement

Re-evaluation of Borrower

- During the month in which the SFB-Unemployment Agreement is to expire, the Mortgagee must evaluate the Borrower to determine if the borrower qualifies for:
  - An additional period of forbearance beyond the initial expiration (PITI may not exceed 12 mos. delinquency)
  - A permanent Loss Mitigation Option

Notification to Borrower

- The Mortgagee must notify the Borrower, in writing, the results of the review

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option Failure & Automatic Extension

A SFB is considered a failure when any of the following occur:

- The Borrower abandons the property
- The Borrower advises that he/she will not follow through and fulfill the terms
- Borrower fails to perform under the terms of the SFB-Unemployment Agreement for 60 Days without advising the Mortgagee of the cause of failure

Automatic Extension:

- Mortgagees are allowed an automatic 90-day extension from the failure of a (SFB) or completion of a SFB to review for additional loss mitigation options or to initiate foreclosure

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Special Forbearance (SFB) – Unemployment Option Filing for Incentive Payment

- $100 ($200 for Mortgagees with an "A" TRS II/ Tier 1 Score)
- Mortgagee may only file for the SFB incentive claim once per default
- Mortgagees must file for the Special Forbearance incentive payment within 60 days of the date of the executed Agreement
- Mortgagee must retain a copy the Special Forbearance Agreement in the Claim Review file

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Test Your Knowledge – Forbearance Plans

1. Borrowers whose Surplus Income is sufficient to cure their delinquency within 6 months are to be placed on a Formal Forbearance Plan only.
   A. True
   B. False

2. The Special Forbearance – Unemployment Option may be offered to a Borrower facing Imminent Default.
   A. True
   B. False

3. The **term** of a Special Forbearance may exceed 12 mos.
   A. True
   B. False

Loan Modification Option

Loan Modification Option Overview

A Loan Modification may include a change to one or more of the terms of a Borrower's loan.

- A change in the interest rate
- Capitalization of delinquent principal, interest or escrow items
- Legal Fees and related foreclosure costs may be capitalized
- Re-amortization of the balance due

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification Option

Defaulted Mortgage Status

- Minimum of 12 months must have elapsed since the closing (or origination) date of the original Mortgage, as evidenced on HUD's system; and
- The Mortgage must be 3 payments due and unpaid (61 days delinquent)
- Default must be due to a verified loss of income or increase in living expenses

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification - Financial Review

- The Mortgagee must use the six-step process of the Loss Mitigation Home Retention Option Priority Waterfall

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification Option

Borrower Qualifications

- The default must be due to a verifiable loss of income or increase in living expenses
- One or more Borrower must have verified continuous income
- Surplus income must be at least $300 and at least 15% of the Borrower's net income
- 85% of the Borrower's surplus income is insufficient to cure arrears within six months

Qualifications (cont'd)

- Monthly PITI mortgage payment must be reduced by the greater of 10% of the original monthly mortgage payment amount and $100
- Must successfully complete a 3-month Trial payment plan
- Borrower may not have executed a Loan Modification or FHA-HAMP within the past 24 months
- Must be owner-occupant

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification Option - Property Condition

- Mortgagee must conduct any review it deems necessary, including a property inspection, when the Mortgagee has reason to believe that the physical conditions of the property adversely impact the Borrower's use or ability to support the debt
- Repair costs may not be calculated into the Loan Modification

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification/FHA-HAMP Option
Trial Payment Plan Guidelines

- Borrower must successfully complete a 3-month Trial Payment Plan based on the modified mortgage payment
- Borrowers facing Imminent Default must successfully complete a 4-month Trial Payment Plan based on the modified mortgage payment (FHA-HAMP Option)
- Final modified payment must be the same or less than the Trial Payment amount
- Late fees are not to be assessed during the Trial Payment Plan

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification /FHA-HAMP Option – Trial Payment Plan (TPP) Start 12 Months after Closing Date

- Where a Borrower is eligible for a Loan Modification or FHA-HAMP Option, the Mortgagee must ensure that the Borrower's TPP begins only after 12 months have elapsed since the Closing Date of the Mortgage

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

Trial Payment Plan (TPP) Terms and Notification to Borrower of Start Time

- The Interest Rate for the TPP and the permanent Loan Modification must not be greater than the Market Rate
- The Permanent Market Rate must be established when the TPP is offered to the Borrower
- The Final modified payment must be the same or less than the Trial Payment amount
- The Mortgagee must send the proposed TPP Agreement to the Borrower at least **15 Days** before the date the first trial payment is due

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification /FHA-HAMP Option
Trial Payment Plan Agreement Required Signatures

Executed Signatures required for all Trial Payment Plan Agreements:

- All parties on the original note
- All parties on the FHA-insured mortgage
- All parties that will be subject to the modified mortgage and/or partial claim
- Non-borrower household member's whose income is used in qualifying and will be included on the modified note, FHA-insured mortgage, and/or partial claim

Exceptions:

- Borrower or co-borrower is deceased
- A borrower and a co-borrower are divorced
- A borrower or co-borrower on the original note and mortgage has been released from liability in connection with an assumption performed in accordance with HUD's requirements
- Mortgagee may evaluate on a case by case basis, if a borrower is unable to sign the TPP agreement due to a physical disability, mental condition, or military deployment

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification Option
Trial Payment Plan – Application of Payments

- Mortgagee must treat payments made under the TPP as Partial Payments
- Must be held in a suspense account and applied in accordance with HUD's Partial Payments guidance
- Unapplied funds remaining at the end of a **successful** Trial Payment period that do not total a full PITI payment, must be applied to:
  - any calculated escrow shortage
  - or to reduce any amounts that would otherwise be capitalized onto the principal balance
- Unapplied funds remaining at the end of a **failed** Trial Payment period held in suspense, must be applied to the Borrower's account in order of priority

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification /FHA-HAMP Option
Trial Payment Plan Failure

The Borrower has failed the TPP when one of the following occurs:

- The Borrower does not return the executed TPP Agreement within the month the first trial payment is due;
- The Borrower vacates or abandons the Property; or
- The Borrower does not make a scheduled TPP payment by the last Day of the month it was due

Re-evaluation Requirements:

- If a Borrower fails to successfully complete a TPP under a Loan Modification, Mortgagee must still re-evaluate the Borrower's eligibility for other appropriate Loss Mitigation Options

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

Trial Payment Plan - Automatic Extension /Reporting

Automatic Extension:

- HUD provides an automatic 90-Day extension for the Mortgagee to commence or recommence foreclosure or initiate another Loss Mitigation Option, should a TPP fail

Reporting Requirements:

- The Mortgagee must report in SFDMS the use of a TPP

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification
General Guidelines

- Loan may not be in foreclosure at the time the Loan Modification documents are executed
- Must fully reinstate the Loan
- Mortgagee must complete a retroactive escrow analysis
- Borrower may not receive any cash from the Loan Modification
- The total unpaid amount due must be re-amortized to a 360 month term

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification
General Guidelines (cont'd)

- Must result in a fixed interest rate to the current market rate
- Maximum allowable rate increase is 25 basis points above the current Freddie Mac Weekly Primary Mortgage Market Survey Rate for 30-year fixed-rate or the Federal Reserve Board Weekly Rate rounded to nearest 1/8th of 1%.
  - http://www.freddiemac.com/pmms/
- Modified loan amount may exceed the principal balance at the time of origination and may exceed 100% LTV
- Modification may include legal fees and foreclosure and bankruptcy costs associated with the current default
- Late fees and costs to complete needed repairs may **not** be capitalized

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification
Lien Status & Disclosure Requirements

Lien Status

- The modified FHA-insured loan must remain in first lien position
- Mortgagee must determine whether recordation is necessary
- If Title to the Property is encumbered with an FHA Title I Mortgage or a Partial Claim Mortgage held by the Secretary of HUD, if necessary to ensure HUD's first-lien status, Mortgagee must request a Subordination Agreement from HUD or it's Loan Servicing Contractor

Disclosure Requirements:

- Mortgagees are to comply with state and federal disclosure laws or notice requirements

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification Incentive and Claim Filing

- The Mortgagee may claim a Loss Mitigation Incentive for completion of a Loan Modification if:
  - Loan Modification documents are executed within 60 Days of the Borrower's successful completion of a TPP; and
  - Mortgagee reports the Loan Modification in FHAC or EDI
- Mortgagee is entitled to receive a $750 incentive fee
  - Up to $250 for reimbursement of title search, endorsement to the title policy, and/or recording fees actually incurred
- If Mortgagee misses the 60-day time frame for filing an incentive claim, Mortgagee must report Non-Incentivized Loan Modification to HUD via FHA Connection

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Test Your Knowledge – Loan Modification

1. Legal fees and foreclosure costs may be included in the Loan Modification Option.
   A. True
   B. False

2. State law will govern whether it is necessary to record the Loan Modification.
   A. True
   B. False

3. When utilizing the Loan Modification Option, it is not necessary for the Mortgagee to conduct an escrow analysis.
   A. True
   B. False

FHA's Home Affordable Modification Program
Loss Mitigation Option
(FHA-HAMP)

FHA-Home Affordable Modification Program (FHA-HAMP) Program Options

The FHA-HAMP Option may consist of one of the following options:

- A Stand-Alone Loan Modification
- A Stand-Alone Partial Claim
- A Loan Modification/Partial Claim combination

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option- Financial Review

- The Mortgagee must use the six-step process of the Loss Mitigation Home Retention Option Priority Waterfall
  - Project the Borrowers Net Monthly Surplus Income
  - Determine if the Borrower is eligible for an Informal Forbearance, a Formal Forbearance, SFB-Unemployment, and/or Loan Modification, before considering the FHA-HAMP Option
  - The FHA-HAMP Mortgage Payment must be 40% or less of the Borrower's gross monthly income
- The Mortgagee should determine which FHA-HAMP Option is appropriate based on the Waterfall calculations

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option

Defaulted Mortgage Status:

- Mortgage must be in Default or facing Imminent Default
- Minimum of 12 months must have elapsed since the date of the first payment on the original Mortgage, as evidenced on HUD's Neighborhood Watch system
- A minimum of four Mortgage Payments have been paid by the Borrower on the current Mortgage
- Default must be due to a verified loss of income or increase in living expenses
- Mortgage must not be in Foreclosure at the time the FHA-HAMP documents are executed

Imminent Default Status:

- To modify a Mortgage facing Imminent Default under FHA-HAMP, In addition to the above Default Mortgage status requirements, Mortgagee must obtain documentation evidencing the cause of the Imminent Default

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option

Borrower Qualifications:

- Borrower has experienced a verifiable loss of income or increase in living expenses
- All Borrowers must execute Hardship Affidavit
- One or more Borrowers must have verified continuous income
- Final modified mortgage payment may not exceed 40% of the Borrower's gross monthly income provided that either:
  - Surplus income is not at least $300 **and** 15% of the Borrower's net income, or
  - 85% of the Borrower's surplus income is insufficient to cure arrears within six months, and monthly PITI payment cannot be reduced by the greater of 10% of the original monthly mortgage payment amount **and** $100
- Must successfully complete a 3-month or (4-month for Imminent Default) Trial payment plan
- Borrower may not have executed a Loan Modification or FHA-HAMP within the past 24 months
- Must be Owner-Occupant

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option - Property Condition

- Mortgagee must conduct any review it deems necessary, including a property inspection, when the Mortgagee has reason to believe that the physical conditions of the property adversely impact the Borrower's use or ability to support the debt
- Repair costs may not be calculated into the FHA-HAMP Loan Modification

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP
Stand-Alone Loan Modification

An FHA-HAMP Stand-Alone Loan Modification is the appropriate Loss Mitigation Option if:

- The total outstanding debt (UPB, arrearage, and legal fees foreclosure costs) can be re-amortized at the market interest rate for 30 years with a resulting PITI payment at or below the targeted payment without the use of an FHA-HAMP Partial Claim, or
  - The modified loan has a front-end ratio at or below 40% **and** the total value of all existing Partial Claims is at the Statutory maximum
- The Borrower must meet all other FHA-HAMP guidelines

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option
Stand-Alone Partial Claim

An FHA-HAMP Stand-Alone Partial Claim is the appropriate Loss Mitigation Option if:

- The current interest rate is at or below the current market rate
- The current mortgage payment is at or below the established targeted payment
- FHA-HAMP Partial Claim will not exceed the 30% maximum statutory limit
- Borrower must meet all other FHA-HAMP guidelines

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option
Loan Modification/Partial Claim Combination

An FHA-HAMP Loan Modification/Partial Claim combination is the appropriate Loss Mitigation Option if:

- The total outstanding debt is re-amortized at the market interest rate for 30 years with a resulting PITI payment **greater** than the targeted payment
- The maximum allowable Partial Claim (amount required to meet the Borrower's targeted payment) does not exceed the 30% Statutory Limit
  - If the maximum allowable Partial Claim exceeds the 30% Statutory Limit, the final loan modification amount may include capitalization of the remaining arrearage and foreclosure costs if the front-end ratio is **not** greater than 40% of the Borrower's gross income
- The Borrower must meet all other FHA-HAMP guidelines

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option – Capitalization of Delinquency

- The Mortgagee may only include the following in the FHA-HAMP Loan Modification:
  - Arrearages for unpaid accrued interest
  - Mortgagee advances for escrowed items
  - Related legal fees and foreclosure and bankruptcy costs

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification /FHA-HAMP Option – Trial Payment Plan (TPP) Start 12 Months after Closing Date

- Where a Borrower is eligible for a Loan Modification or FHA-HAMP Option, the Mortgagee must ensure that the Borrower's TPP begins only after 12 months have elapsed since the Closing Date of the Mortgage

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

Loan Modification/FHA-HAMP Option
Trial Payment Plan Guidelines

- Borrower must successfully complete a 3-month Trial Payment Plan based on the modified mortgage payment
- Borrowers facing Imminent Default must successfully complete a 4-month Trial Payment Plan based on the modified mortgage payment (FHA-HAMP Option)
- Final modified payment must be the same or less than the Trial Payment amount
- Late fees are not to be assessed during the Trial Payment Plan

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Trial Payment Plan (TPP) Terms and Notification to Borrower of Start Time

- The Interest Rate for the TPP and the permanent Loan Modification must not be greater than the Market Rate
- The Permanent Market Rate must be established when the TPP is offered to the Borrower
- The Final modified payment must be the same or less than the Trial Payment amount
- The Mortgagee must send the proposed TPP Agreement to the Borrower at least **15 Days** before the date the first trial payment is due

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification /FHA-HAMP Option
Trial Payment Plan Agreement Required Signatures

Executed Signatures required for all Trial Payment Plan Agreements:

- All parties on the original note
- All parties on the FHA-insured mortgage
- All parties that will be subject to the modified mortgage and/or partial claim
- Non-borrower household member's whose income is used in qualifying and will be included on the modified note, FHA-insured mortgage, and/or partial claim

Exceptions:

- Borrower or co-borrower is deceased
- A borrower and a co-borrower are divorced
- A borrower or co-borrower on the original note and mortgage has been released from liability in connection with an assumption performed in accordance with HUD's requirements
- Mortgagee may evaluate on a case by case basis, if a borrower is unable to sign the TPP agreement due to a physical disability, mental condition, or military deployment

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option
Trial Payment Plan – Application of Payments

- Mortgagee must treat payments made under the TPP as Partial Payments
- Must be held in a suspense account and applied in accordance with HUD's Partial Payments guidance (see Section A.2.e)
- Unapplied funds remaining at the end of a **successful** Trial Payment period that do not total a full PITI payment, must be applied to:
  - Any calculated escrow shortage
  - The unpaid Principal balance when calculating the FHA-HAMP Loan Modification
  - The FHA-HAMP Partial Claim amount

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

Loan Modification /FHA-HAMP Option
Trial Payment Plan Failure

The Borrower has failed the TPP when one of the following occurs:

- The Borrower does not return the executed TPP Agreement within the month the first trial payment is due;
- The Borrower vacates or abandons the Property; or
- The Borrower does not make a scheduled TPP payment by the last Day of the month it was due

Re-evaluation Requirements:

- If a Borrower fails to successfully complete a TPP under a Loan Modification, Mortgagee must still re-evaluate the Borrower's eligibility for other appropriate Loss Mitigation Options

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

Trial Payment Plan - Automatic Extension /Reporting

Automatic Extension:

- HUD provides an automatic 90-Day extension for the Mortgagee to commence or recommence foreclosure or initiate another Loss Mitigation Option, should a TPP fail

Reporting Requirements:

- The Mortgagee must report in SFDMS the use of a TPP

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP Option
Mortgagee Guidelines

- Mortgagee must escrow for Borrower's real estate taxes and mortgage-related insurance payments
  - Escrow analysis must be completed prior to Trial Payment Plan
- Must waive all late fees
- May not require the Borrower to contribute cash
- Must comply with any disclosure or notice requirements applicable under FHA regulations and state or federal law
- Must comply with the Equal Credit Opportunity Act and the Fair Housing Act
- HUD's LDP and GSA exclusion lists are required checks for all Borrowers (CAIVRS review is not required)
  http://portal.hud.gov/hudportal/HUD?src=/topics/limited_denials_of_participation

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

FHA-HAMP
Partial Claim Overview

- Mortgagee prepares a promissory note and subordinate mortgage to cover the advance for delinquent mortgage payments issued in the name of the Secretary of HUD
- The maximum allowable Partial Claim (amount required to meet the Borrower's targeted payment) may not exceed 30% of the UPB at the time of the initial default
  - Legal Fees and Foreclosure Costs incurred as of the date of foreclosure cancellation may be included in the PC amount
- Borrower must successfully complete a Trial Payment Plan prior to final execution of a promissory note and mortgage associated with the Partial Claim
- Mortgagee advances funds on behalf of the Borrower in the amount of the FHA-HAMP Partial Claim advance to reinstate the delinquent loan

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

FHA-HAMP Partial Claim
Lien Status

- HUD does not prescribe a lien priority requirement for FHA-HAMP Partial Claim
- Mortgagee must ensure timely recordation of the Subordinate Mortgage

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.

Required Documentation for FHA-HAMP Partial Claims

A promissory note must be executed in the name of the Secretary, and a Partial Claim mortgage must be prepared and recorded.

- The Partial Claim promissory note and mortgage/deed of trust must include:
  - The full FHA Case Number
  - The provisions of HUD's model Partial Claim promissory note and partial claim mortgage
  - Any amendments as required by state laws
- HUD's model Partial Claim promissory note and mortgage: http://portal.hud.gov/hudportal/documents/huddoc?id=SFH_FHA-HAMPParClaimSubMgt.pdf
- Mortgagee must retain a copy of the executed Promissory Note and Subordinate Mortgage in its Claim Review File

Ref: HUD Handbook 4000.1, Sec.III.A.2.k., Mortgagee Letter 2015-18

FHA-HAMP
Partial Claim Recordation Requirements

- Servicing responsibilities remains with the Mortgagee until the security instruments are legally recorded in the appropriate jurisdiction
- Mortgagee must submit executed Partial Claim security instruments for recordation within five business days from the date of receipt from the Borrower or, if HUD execution is required, receipt from HUD Mortgagee
- HUD must receive the original Partial Claim Promissory Note within ***60 days*** of the execution of the documents by the Borrower
- HUD must receive the recorded Partial Claim mortgage/deed of trust within ***6 months*** of the execution of the security instrument
- EVARS - Request for an Extension of Time
  - Extensions for Partial Claim Promissory Notes are not allowed

Ref: HUD Handbook 4000.1, Sec.III.A.2.k., Mortgagee Letter 2015-18

FHA-HAMP
Partial Claim Document Delivery and Compliance

The Partial Claim documentation should support the amount claimed.

- No corrective Partial Claims should be necessary
- Partial Claim documents received by HUD that do not fully support the amount claimed will be considered incomplete and will not satisfy the 6-month deadline
- Partial Claim documents must be corrected and recorded within the 6-month deadline
- If Mortgagee does not provide HUD with the required documents within the deadline dates, the Mortgagee will be required to reimburse the full claim amount, including incentive fee

Ref: HUD Handbook 4000.1, Sec.III.A.2.k., Mortgagee Letter 2015-18

FHA-HAMP
Partial Claim Loan Payoff and Remittance

The FHA-HAMP Partial Claim becomes due and payable when:

- The FHA-HAMP mortgage matures
- The Borrower sells the property
- The Borrower refinances the FHA-HAMP mortgage

Mortgagee is responsible for notifying HUD when the first mortgage is being paid in full or refinanced

- Subordination requests and any payments for Partial Claims are to be sent to HUD's Secretary-Held Assets Servicing Contractor (1-877-622-8525)

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.,

FHA-HAMP
Incentives and Claim Filing

Mortgagee may claim an incentive for use of the FHA-HAMP Option if:

The permanent FHA-HAMP documents are executed within 60 Days of the Borrower's successful completion of their TPP; and

Mortgagee reports to HUD the characteristics of the Loan Modification and/or PC.

FHA-HAMP - $1,250 ($500 FHA-HAMP Partial Claim + $750 Loan Mod)

Mortgagees may also claim up to $250 for reimbursement for a title search and/or recording fees on the FHA-HAMP Loan Modification

Ref: HUD Handbook 4000.1, Sec.III.A.2.k.,

Test Your Knowledge – FHA-HAMP

1. To be eligible under FHA-HAMP Option, the final mortgage payment cannot exceed _____ percent of the Borrower's gross monthly income.

   A. 31%
   B. 40%
   C. 55%

2. If the total outstanding debt is re-amortized at the market rate with the resulting PITI payment at or below the Targeted payment, the appropriate FHA-HAMP option is:

   A. FHA-HAMP Stand-alone Partial Claim
   B. FHA-HAMP Loan Modification/Partial Claim
   C. B. FHA-HAMP Stand-alone Loan Modification

3. A borrower received an FHA-HAMP Partial Claim 10 mos. ago. The Borrower would like to apply for an FHA- HAMP Loan Modification only now. Is the Borrower eligible for review?

   A. Yes
   B. No

Case Scenario #1: Borrower Information

CASE OVERVIEW

- **The borrower is currently employed, but has experienced a verifiable loss of income**
- **Borrower is 19 mos. delinquent**
- **Total arrearage = $16,092.54**
- **Outstanding foreclosure costs = $500**
- **A previous HAMP/Partial Claim has been identified**
- **Outstanding Partial Claim totals $5,000**

Section I: Borrower Information:	
Borrower:	Case 1
Co-Borrower:	
Property Address:	123 Anywhere
City, State ZIP:	Anywhere, AZ
Servicer Loan Number:	0
FHA Case Number:	021-000000
Verifiable Loss of Income or Increase in Living Expenses*:	YES
One or More Borrowers Currently Employed*:	YES
Date Financial Information Reviewed:	1/24/2016
Has borrower received previous Mod or HAMP*:	YES
Date of Previous Mod or HAMP:	11/15/2013
Eligibility Date for subsequent Mod or HAMP:	11/15/2015

Section II: Financial Information:	
Gross Monthly Income*:	$2,360.00
Net Monthly Income*:	$1,800.00
Other Expenses*:	$800.00
Principal & Interest (PI)*:	$700.19
Taxes & Insurance(TI)*:	$170.00
PITI:	$870.19
Unpaid Principal Balance (UPB)*:	$51,575.95
Total Arrearage*:	$16,092.54
Number of Months Delinquent:	19
Outstanding Legal & Foreclosure Fees:	$500.00
Re-analyzed T & I Payment*:	$190.00
Previous Partial Claim Amount:	$5,000.00
UPB at time of Original Default:	$75,203.45

Case Scenario #1: Decision Option Results

Step	Decision Point			Decision Option
Step 1	*Household or mortgagor(s) has experienced a verifiable loss of income or increase in living expenses?*			**Yes - Proceed to Step 2**
Step 2	*One or more mortgagors receives continuous income?*			**Yes - Proceed to Step 3**
Step 3	*Surplus income is at least $300 and greater than 15% of net income?*			**No - Proceed to Step 6, FHA- HAMP**
	Step 3 Calculation Results:	Surplus Income:	**$129.81**	
		Surplus Income Percentage:	**7.21%**	
Step 4	*85% of surplus income is sufficient to cure arrearages within 6 months?*			**N/A - Continue to Step 6, FHA-HAMP**
	Step 4 Calculation Results	85% of Surplus Income:	$0.00	
		Number of Months to Cure Delinquency:	0.0	
Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100? (Step 3 Decision Point must = 'Yes' to proceed with Modification)*			**N/A -Continue to Step 6, FHA-HAMP**

Case Scenario # 1:
Loan Modification Decision Option Results

The borrower is ineligible for review of a standard Loan Modification since he did not meet the Surplus Income test in Step 3.

Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100?*	**N/A-Continue to Step 6, FHA-HAMP**

Step 5: Loan Modification Worksheet

Proposed Market Interest Rate:			
Modified Loan Amount (includes arrearage and outstanding legal fees):			
Term:		**Payment Change:**	
Proposed PI:		**10% of PITI from Original Loan:**	
Proposed PITI:			

Case Scenario #1:
HAMP Decision Option Results

Partial Claim - Step 1:	30% of outstanding UPB (at time of default), less any outstanding PC:	$17,561.04		Partial Claim Results	
Partial Claim - Step 2:	Total Arrearages & Legal Fees (For informational purposes only):	$16,592.54		Maximum Allowable Partial Claim (Lesser of Step 1, 2, or amt. needed to meet target pymt.):	$0.00
	Amount required to meet Target Payment:	$0.00		Maximum Allowable Principal Deferment (only if required):	$0.00
Step 6.1:	Step 6.1.A	31% of Gross Monthly Income: $2360	$731.60		
	Step 6.1.B	80% of Current PITI: $870.19	$696.15		
	Step 6.1.C	25% of Gross Monthly Income: $2360	$590.00		
	Step 6.1.D	Greater of 6.1.B or 6.1.C:	$696.15		
	Step 6.1.E	Target Monthly Payment (Lesser of 6.1.A or 6.1.D):	**$696.15**		
Step 6.2:	Proposed Market Interest Rate:	4.500%			
	Total Amt. to be resolved under HAMP:	$68,168.49			
	Term:	360	Step 6.2 -Front-End Ratio:		
	Proposed PITI:	$535.40	22.69%		
Step 6.3:	*Is result of Step 6.2 (Proposed PITI), lower than result from Step 6.1.E (Target Monthly Payment)?*		**Yes - STOP, Result of Step 6.2 is lower than result from Step 6.1.E. Mortgagor is eligible for a FHA HAMP Stand-Alone Loan Modification at the market interest rate**		
Step 6.4.A:	Target Loan Amount: (includes proposed market interest rate, estimated target payment - Step 6.1.E less T&I, 360 mo. term):	$0.00	**N/A - Borrower is not eligible for Principal Deferment**		
Step 6.4.B:	Maximum Modified Loan Amount (Total Amt. to Resolve-Max Allowable PC):	$0.00	Proposed PITI:	$0.00	
			Step 6.4.B - Front-End Ratio (if applicable), not to exceed 40%:	0.00%	
Final HAMP Modified Loan Amount:		$68,168.49	Final PITI/Ratio:	$535.40	22.69%

Case Scenario #2: Borrower Information

CASE OVERVIEW

- **The borrower is currently employed, but has experienced a verifiable loss of income**
- **Borrower is 30 mos. delinquent**
- **Total arrearage = $15,023.24**
- **Outstanding foreclosure costs = $1,300.00**
- **Borrower does not have any outstanding Partial Claims**

Section I: Borrower Information:	
Borrower:	123 Somewhere
Co-Borrower:	
Property Address:	123 Washington St.
City, State ZIP:	Phoenix, AZ 85004
Servicer Loan Number:	123
FHA Case Number:	021-000000
Verifiable Loss of Income or Increase in Living Expenses*:	YES
One or More Borrowers Currently Employed*:	YES
Date Financial Information Reviewed:	1/31/16
Has borrower received previous Mod or HAMP*:	NO
Date of Previous Mod or HAMP:	
Eligibility Date for subsequent Mod or HAMP:	**1/31/16**

Section II: Financial Information:	
Gross Monthly Income*:	$1,759.00
Net Monthly Income*:	$1,300.00
Other Expenses*:	$600.00
Principal & Interest (PI)*:	$400.00
Taxes & Insurance(TI)*:	$112.18
PITI:	$512.18
Unpaid Principal Balance (UPB)*:	$44,744.42
Total Arrearage*:	$15,023.24
Number of Months Delinquent:	30
Outstanding Legal & Foreclosure Fees:	$1,300.00
Re-analyzed T & I Payment*:	$252.17
Outstanding Partial Claim Amount:	$0.00
UPB at time of Original Default:	$44,744.42

Case Scenario #2: Decision Option Results

Step	Decision Point			Decision Option
Step 1	*Household or mortgagor(s) has experienced a verifiable loss of income or increase in living expenses?*			**Yes - Proceed to Step 2**
Step 2	*One or more mortgagors receives continuous income?*			**Yes - Proceed to Step 3**
Step 3	*Surplus income is at least $300 and greater than 15% of net income?*			**No - Proceed to Step 6, FHA- HAMP**
	Step 3 Calculation Results:	Surplus Income:	**$187.82**	
		Surplus Income Percentage:	**14.45%**	
Step 4	*85% of surplus income is sufficient to cure arrearages within 6 months?*			**N/A - Continue to Step 6, FHA-HAMP**
	Step 4 Calculation Results	85% of Surplus Income:	$0.00	
		Number of Months to Cure Delinquency:	0.0	
Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100? (Step 3 Decision Point must = 'Yes' to proceed with Modification)*			**N/A -Continue to Step 6, FHA-HAMP**

Case Scenario # 2:
Loan Modification Decision Option Results

The borrower is ineligible for review of a standard Loan Modification since he did not meet the Surplus Income test in Step 3.

Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100?*	**N/A-Continue to Step 6, FHA-HAMP**

Step 5: Loan Modification Worksheet

Proposed Market Interest Rate:			
Modified Loan Amount (includes arrearage and outstanding legal fees):			
Term:		**Payment Change:**	
Proposed PI:		**10% of PITI from Original Loan:**	
Proposed PITI:			

Case Scenario #2:
HAMP Decision Option Results

Partial Claim - Step 1:	30% of outstanding UPB (at time of default), less any outstanding PC:	$13,423.33		Partial Claim Results	
Partial Claim - Step 2:	Total Arrearages & Legal Fees (For informational purposes only):	$16,323.24		Maximum Allowable Partial Claim (Lesser of Step 1, 2, or amt. needed to meet target pymt.):	$13,423.33
	Amount required to meet Target Payment:	$24,046.65		Maximum Allowable Principal Deferment (only if required):	$0.00
Step 6.1:	Step 6.1.A	31% of Gross Monthly Income: $1759	$545.29		
	Step 6.1.B	80% of Current PITI: $512.18	$409.74		
	Step 6.1.C	25% of Gross Monthly Income: $1759	$439.75		
	Step 6.1.D	Greater of 6.1.B or 6.1.C:	$439.75		
	Step 6.1.E	Target Monthly Payment (Lesser of 6.1.A or 6.1.D):	**$439.75**		
Step 6.2:	Proposed Market Interest Rate:	4.500%			
	Total Amt. to be resolved under HAMP:	$61,067.66			
	Term:	360	Step 6.2 -Front-End Ratio:		
	Proposed PITI:	$561.59	31.93%		
Step 6.3:	*Is result of Step 6.2 (Proposed PITI), lower than result from Step 6.1.E (Target Monthly Payment)?*		No - Proceed to Step 6.4.A, Payment is greater than Step 6.1.E Target Payment		
Step 6.4.A:	Target Loan Amount: (includes proposed market interest rate, estimated target payment - Step 6.1.E less T&I, 360 mo. term):	$37,021.01	CAUTION – Total amount required to meet target payment exceeds maximum allowable Partial Claim. PROCEED to Step 6.4.B. Maximum Modified Loan Amount should be the greater of Step 6.4.A or 6.4.B; Front End Ratio may not exceed 40%. Trial Payment Plan required.		
Step 6.4.B:	Maximum Modified Loan Amount (Total Amt. to Resolve-Max Allowable PC):	$47,644.33	Proposed PITI:	$493.58	
			Step 6.4.B - Front-End Ratio (if applicable), not to exceed 40%:	28.06%	
Final HAMP Modified Loan Amount:		**$47,644.33**	Final PITI/Ratio:	**$493.58**	**28.06%**

Case Scenario #3: Borrower Information

CASE OVERVIEW

- **The borrower is currently employed, but has experienced a verifiable loss of income**
- **Borrower is 15 mos. delinquent**
- **Total arrears = $8,683.42**
- **Outstanding foreclosure costs = $599.81**
- **Borrower does not have any outstanding Partial Claims**

Section I: Borrower Information:	
Borrower:	Case 3
Co-Borrower:	
Property Address:	345 Anywhere
City, State ZIP:	Anywhere, AZ
Servicer Loan Number:	0
FHA Case Number:	021-010000
Verifiable Loss of Income or Increase in Living Expenses:	YES
One or More Borrowers Currently Employed:	YES
Date Financial Information Reviewed:	1/24/2016
Has borrower received previous Mod or HAMP:	NO
Date of previous Mod or HAMP:	
Eligibility date for subsequent Mod or HAMP:	1/24/2015

Section II: Financial Information:	
Gross Monthly Income:	$1,456.00
Net Monthly Income:	$1,100.00
Other Expenses:	$400.00
Principal & Interest (PI):	$400.00
Taxes & Insurance(TI):	$190.45
PITI:	$590.45
Unpaid Principal Balance (UPB):	$40,404.75
Total Arrearage:	$8,683.42
Number of Months Delinquent:	15
Outstanding Legal & Foreclosure Fees:	$599.81
Re-analyzed T & I Payment:	$182.43
Previous Partial Claim Amount:	$0.00
UPB at time of Original Default:	$40,404.75

Case Scenario #3: Decision Option Results

Step	Decision Point			Decision Option
Step 1	*Household or mortgagor(s) has experienced a verifiable loss of income or increase in living expenses?*			**Yes - Proceed to Step 2**
Step 2	*One or more mortgagors receives continuous income?*			**Yes - Proceed to Step 3**
Step 3	*Surplus income is at least $300 and greater than 15% of net income?*			**No - Proceed to Step 6, FHA- HAMP**
	Step 3 Calculation Results:	Surplus Income:	**$109.55**	
		Surplus Income Percentage:	**9.96%**	
Step 4	*85% of surplus income is sufficient to cure arrearages within 6 months?*			**N/A - Continue to Step 6, FHA-HAMP**
	Step 4 Calculation Results	85% of Surplus Income:	$0.00	
		Number of Months to Cure Delinquency:	0.0	
Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100? (Step 3 Decision Point must = 'Yes' to proceed with Modification)*			**N/A -Continue to Step 6, FHA-HAMP**

Case Scenario # 3:
Loan Modification Decision Option Results

The borrower is ineligible for review of a standard Loan Modification since he did not meet the Surplus Income test in Step 3.

Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100?*	**N/A-Continue to Step 6, FHA-HAMP**

Step 5: Loan Modification Worksheet

Proposed Market Interest Rate:			
Modified Loan Amount (includes UPB, arrearage, and outstanding legal fees):			
Term:		**Payment Change:**	
Proposed PI:		**10% of PITI from Original Loan:**	
Proposed PITI:			

Case Scenario #3:
HAMP Decision Option Results

Partial Claim - Step 1:	30% of outstanding UPB (at time of default), less any outstanding PC:	$12,121.42		Partial Claim Results	
Partial Claim - Step 2:	Total Arrearages & Legal Fees (For informational purposes only):	$9,283.23		Maximum Allowable Partial Claim (Lesser of Step 1, 2, or amt. needed to meet target pymt.):	$3,604.62
	Amount required to meet Target Payment:	$3,604.62		Maximum Allowable Principal Deferment (only if required):	$0.00
Step 6.1:	Step 6.1.A	31% of Gross Monthly Income: $1456	$451.36		
	Step 6.1.B	80% of Current PITI: $590.45	$472.36		
	Step 6.1.C	25% of Gross Monthly Income: $1456	$364.00		
	Step 6.1.D	Greater of 6.1.B or 6.1.C:	$472.36		
	Step 6.1.E	Target Monthly Payment (Lesser of 6.1.A or 6.1.D):	**$451.36**		
Step 6.2:	Proposed Market Interest Rate:	5.750%			
	Total Amt. to be resolved under HAMP:	$49,687.98			
	Term:	360	Step 6.2 -Front-End Ratio:		
	Proposed PITI:	$472.40	32.44%		
Step 6.3:	*Is result of Step 6.2 (Proposed PITI), lower than result from Step 6.1.E (Target Monthly Payment)?*		No - Proceed to Step 6.4.A, Payment is greater than Step 6.1.E Target Payment		
Step 6.4.A:	Target Loan Amount: (includes proposed market interest rate, estimated target payment - Step 6.1.E less T&I, 360 mo. term):	$46,083.36	Proceed - Target Loan Amount is within allowable maximum Partial Claim, Trial Payment Plan required		
Step 6.4.B:	Maximum Modified Loan Amount (Total Amt. to Resolve-Max Allowable PC):	$0.00	Proposed PITI:	$0.00	
	Step 6.4.B - Front-End Ratio (if applicable), not to exceed 40%:			0.00%	
Final HAMP Modified Loan Amount:		**$46,083.36**	**PITI/Front-End Ratio:**	**$451.36 /31.00%**	

Case Scenario #4: Borrower Information

CASE OVERVIEW

- **The borrower is currently employed, but has experienced a verifiable loss of income**
- **Borrower is 26 mos. delinquent**
- **Total arrearage = $15,023.24**
- **Outstanding foreclosure costs = $1,256.00**
- **Borrower does not have any outstanding Partial Claims**

Section I: Borrower Information:	
Borrower:	Case 4
Co-Borrower:	
Property Address:	122 Main St
City, State ZIP:	Phoenix, AZ 85004
Servicer Loan Number:	123
FHA Case Number:	021-000001
Verifiable Loss of Income or Increase in Living Expenses*:	YES
One or More Borrowers Currently Employed*:	YES
Date Financial Information Reviewed:	2/24/2016
Has borrower received previous Mod or HAMP*:	NO
Date of Previous Mod or HAMP:	
Eligibility Date for subsequent Mod or HAMP:	2/24/2016

Section II: Financial Information:	
Gross Monthly Income*:	$1,459.00
Net Monthly Income*:	$1,100.00
Other Expenses*:	$350.00
Principal & Interest (PI)*:	$459.00
Taxes & Insurance(TI)*:	$112.18
PITI:	$571.18
Unpaid Principal Balance (UPB)*:	$74,744.42
Total Arrearage*:	$15,023.24
Number of Months Delinquent:	26
Outstanding Legal & Foreclosure Fees:	$1,256.00
Re-analyzed T & I Payment*:	$253.23
Outstanding Partial Claim Amount:	$0.00
UPB at time of Original Default:	$74,744.42

Case Scenario #4: Decision Option Results

Step	Decision Point			Decision Option
Step 1	*Household or mortgagor(s) has experienced a verifiable loss of income or increase in living expenses?*			**Yes - Proceed to Step 2**
Step 2	*One or more mortgagors receives continuous income?*			**Yes - Proceed to Step 3**
Step 3	*Surplus income is at least $300 and greater than 15% of net income?*			**No - Proceed to Step 6, FHA- HAMP**
	Step 3 Calculation Results:	Surplus Income:	**$178.82**	
		Surplus Income Percentage:	**16.26%**	
Step 4	*85% of surplus income is sufficient to cure arrearages within 6 months?*			**N/A - Continue to Step 6, FHA-HAMP**
	Step 4 Calculation Results	85% of Surplus Income:	$0.00	
		Number of Months to Cure Delinquency:	0.0	
Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100? (Step 3 Decision Point must = 'Yes' to proceed with Modification)*			**N/A -Continue to Step 6, FHA-HAMP**

Case Scenario # 4:
Loan Modification Decision Option Results

The borrower is ineligible for review of a standard Loan Modification since he did not meet the Surplus Income test in Step 3.

Step 5	*Modification would reduce monthly payment by at least the greater of 10% and $100?*	**N/A-Continue to Step 6, FHA-HAMP**

Step 5: Loan Modification Worksheet			
Proposed Market Interest Rate:			
Modified Loan Amount (includes arrearage and outstanding legal fees):			
Term:		**Payment Change:**	
Proposed PI:		**10% of PITI from Original Loan:**	
Proposed PITI:			

Case Scenario #4:
HAMP Decision Option Results

Partial Claim - Step 1:	**30% of outstanding UPB (at time of default), less any outstanding PC:**	$22,423.33		**Partial Claim Results**	
Partial Claim - Step 2:	**Total Arrearages & Legal Fees (For informational purposes only):**	$16,279.24		**Maximum Allowable Partial Claim (Lesser of Step 1, 2, or amt. needed to meet target pymt.):**	$22,423.33
	Amount required to meet Target Payment:	$52,863.78		**Maximum Allowable Principal Deferment (only if required):**	$6,144.09
Step 6.1:	**Step 6.1.A**	**31% of Gross Monthly Income: $1459**	$452.29		
	Step 6.1.B	**80% of Current PITI: $571.18**	$456.94		
	Step 6.1.C	**25% of Gross Monthly Income: $1459**	$364.75		
	Step 6.1.D	**Greater of 6.1.B or 6.1.C:**	$456.94		
	Step 6.1.E	**Target Monthly Payment (Lesser of 6.1.A or 6.1.D):**	**$452.29**		
Step 6.2:	**Proposed Market Interest Rate:**	4.750%			
	Total Amt. to be resolved under HAMP:	$91,023.66			
	Term:	360	**Step 6.2 -Front-End Ratio:**		
	Proposed PITI:	$728.05	**49.90%**		
Step 6.3:	*Is result of Step 6.2 (Proposed PITI), lower than result from Step 6.1.E (Target Monthly Payment)?*		**No - Proceed to Step 6.4.A, Payment is greater than Step 6.1.E Target Payment**		
Step 6.4.A:	**Target Loan Amount: (includes proposed market interest rate, estimated target payment - Step 6.1.E less T&I, 360 mo. term):**	$38,159.88	**CAUTION – Total amount required to meet target payment exceeds maximum allowable Partial Claim. PROCEED to Step 6.4.B. Maximum Modified Loan Amount should be the greater of Step 6.4.A or 6.4.B; Front End Ratio may not exceed 40%. Trial Payment Plan required.**		
Step 6.4.B:	**Maximum Modified Loan Amount (Total Amt. to Resolve-Max Allowable PC):**	$68,600.33	**Proposed PITI:**	$611.08	
			Step 6.4.B - Front-End Ratio (if applicable), not to exceed 40%:	**41.88%**	
Final HAMP Modified Loan Amount:		**$0.00**	**Final PITI/Ratio:**	**$0.00**	**0.00%**

WARNING THE FRONT-END RATIO EXCEEDS THE MAXIMUM OF 40.00%, Borrower is ineligible for FHA HAMP

Preforeclosure Sale Program

Preforeclosure Sale Program (PFS) Overview

- HUD's version of a Short Sale
- Allows a Borrower in default to sell the property and use the sale proceeds to satisfy the mortgage debt, even if the proceeds are less than the amount owed
- Must be an outright sale of the property
- Owner-occupied Borrowers must be reviewed for HUD's Home Retention Options prior to participation in PFS
- Available PFS Options:
  - Streamlined PFS
  - Streamlined PFS for Servicemembers with Permanent Change of Station (PCS) Orders; and
  - Standard PFS

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program Streamlined Option

PFS Streamlined Option – Overview:

- Mortgagee is not required to verify Borrower hardship, or to obtain a complete Borrower workout package
- Available to Owner- Occupants, Non-Owner Occupants

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Streamlined Option - Non-Owner Occupied

Non- Owner Occupant Requirements:

- Borrower must be 90 days or more delinquent as of the date of the Mortgagee's review
- Each Borrower must have a credit score of 620 or less

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Streamlined Option - Owner Occupant

Owner-Occupant Requirements:

- Borrower must be 90 days or more delinquent as of the date of Mortgagee's review
- Each Borrower must have a credit score of 620 or less
- Borrower must have been reviewed for Loss Mitigation Retention Options
- Borrower must also meet one or more of the following conditions:
  - Defaulted on a Trial Payment Plan within the last six months
  - Defaulted on an FHA-HAMP or standard modification within the last two years
  - Has been deemed ineligible for a permanent Home Retention Option
  - Received a Special Forbearance but did not qualify for a permanent Home Retention Option by the end of the forbearance period
- Borrowers who are deemed eligible for and offered a Loss Mitigation Home Retention Option, must meet the following additional requirements:
  - All Borrowers must have a Credit score less than 580
  - Must provide written documentation that he/she chooses not to accept the Loss Mitigation Home Retention Option offered by the Mortgagee

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Streamlined Option - Servicemembers

Servicemembers with PCS Orders Requirements:

- Must provide Mortgagee with PCS (Permanent Change of Station) orders verifying new duty station is 50 miles or more away from existing residence
- Servicemember must submit an affidavit certifying:
  - FHA-insured mortgage is or was their principal residence, and,
  - New permanent housing has been or will be acquired due to Orders

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Standard Option

PFS Standard Option – Overview:

- Must be Owner-Occupant
- Standard option is available to a Borrower facing Imminent Default or a Defaulted Borrower
- Borrower must have a verifiable Hardship
- Mortgagee must apply the Deficit Income Test
- Borrower may be required to make a Cash Contribution

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Standard Option – Occupancy Exceptions

- Mortgagees may grant exceptions to Non-Occupant Borrowers when the need to vacate was related to the cause of Default; and
  - The subject Property was not purchased as a rental or used as a rental for more than 18 months prior to the Borrower's acceptance into the PFS Program
- Mortgagee must submit a variance request to use the PFS Option to the NSC via EVARS when the Property is owned by a corporation or partnership

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Standard Option - Deficit Income Test

Verify Borrower's monthly net income by obtaining one of the following:

- Two most recent pay stubs
  - If Self-Employed: Recent quarterly or year-to-date Profit and Loss statement compiled by a CPA
- Social Security Income and/or Disability Statements
- Recent W-2, Form 1099, or Federal Tax Return

Verify the Borrower's monthly expenses:

- Credit Report
- Expenses supported by bills, payment receipts, and/or the standard payment amounts under an IRS Index
- Past-due balances use minimum payment prior to delinquency

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Standard Option - Cash Reserve Contribution

Cash Reserve Contribution Required Documents:

- Borrower's three most recent monthly bank statement(s)
- Three most recent months of brokerage statement(s)
- Borrower's most recent Federal Tax Return at the time the Borrower requests an approval for a Standard Preforeclosure Sale

Cash Reserve Contribution Calculation:

- Calculate Total Cash Reserves using highest ending balance of each asset
  - Borrowers with cash reserves greater than $5,000 will be required to contribute 20% of the total amount exceeding $5,000 (not to exceed the difference between the unpaid principal balance and the appraised value of the property)

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
PFS Outreach and Disclosure Requirements

- Mortgagee to mail a copy of *Information Sheet: Pre-foreclosure Sale Procedure* Form HUD-90035
- Mortgagee must notify the Borrower in writing of the following:
  - Mortgage must be in Default on the date the PFS transaction closes
  - PFS transactions are reported to consumer reporting agencies
  - Servicemember should obtain guidance from employer on impact to security clearance and employment from PFS
  - PFS transactions are reported to the Credit Alert Verification Reporting System (CAIVRS)

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Condition of Title

- Property must have Marketable Title
- Mortgagee must obtain a Title search or Preliminary Title Report prior to execution of the ATP
- Title may not be impaired by:
  - Unresolved title problems
  - Junior Liens that cannot be discharged

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Owner Occupant Borrower Compensation

Compensation Amount:

- Incentive fee up to $3,000
  - Owner-Occupants required to make a cash contribution will receive only the amount necessary to satisfy sales transaction costs up to the $3,000 consideration limit
- Owner-Occupant Borrower who is not required to make a minimum Cash Reserve contribution may receive any remaining amount for transition or relocation assistance only

Use of Compensation:

- Resolve Junior Liens
- Offset Sales Transaction Costs

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Appraisal Requirements

- PFS Properties are to be listed at no less than the "As-Is" value
- Mortgagee must obtain a standard electronically-formatted appraisal from an Appraiser on FHA's Appraiser Roster
- Mortgagee must provide a copy of the Appraisal to the Borrower, their sales agent, or HUD upon request
- Valid for 120 Days

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Appraisal Validation

Appraisal Validation Requirements:

- Mortgagee must submit a variance request via EVARS if one of the following conditions exist:
  - The current FHA appraised value is less than the unpaid principal balance (UPB) by $75,000 or greater; or
  - The current appraised value is less than 50% of the UPB, or
  - The as-is value cannot be affirmed using a Broker's Price Opinion (BPO) or Automated Valuation Model (AVM) within 10 percent of the value
    - If none of these conditions exists, the FHA PFS appraisal is acceptable if:
    - Mortgagee obtains a BPO or AVM that is within 10% of the appraised value
- All variance requests must include:
  - A copy of the FHA Appraisal and BPO or AVM (if applicable)
  - Explanation provided by the Mortgagee appraisal review person/department as to why the current appraised value varies from the UPB or AVM/BPO
- Variance requests submitted through EVARS must be approved prior to authorizing the marketing of the property

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Surchargeable Damage

- Mortgagee is responsible for the cost of Surchargeable Damage
- Mortgagee must request NSC approval via EVARS before approving the use of the PFS Option for a Property with Surchargeable Damage
- If Property is being sold "As Is" subject to the Surchargeable Damage, Mortgagee must deduct the Government's Repair Cost Estimate of the damage from its PFS Claim
- If Property is being sold "As Repaired" and funds for surchargeable repairs will be escrowed or provided as a credit to the Borrower at closing, Mortgagee must not include in its Net Sale Proceeds calculation the amount of the repair escrow or repair credit
- Mortgagee must re-evaluate Property that sustains significant damage after a Borrower has received Approval to Participate in the PFS Program

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program Approval to Participate (ATP)

- After determining that a Borrower and Property meet the PFS eligibility requirements, the Mortgagee must notify the Borrower by sending:
  - An ATP in the PFS Program (form HUD-90045), including the date by which the Borrower's Sales Contract must be executed under Pre-Foreclosure Sale Marketing Period guidance; and
  - a Pre-Foreclosure Sale Addendum
- Mortgagee must send these documents to the Borrower via methods providing confirmation or a timestamp of delivery
- Mortgagee must receive the signed ATP within 10 Days of the date on the ATP

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Scheduled Foreclosures & Liquidation Requirements

- Scheduled Foreclosure Sales should not be canceled to initiate a PFS marketing period for Borrowers meeting the PFS eligibility requirements
- Liquidation Requirements - Mortgagees must follow liquidation requirements stated in secondary marketing instruments

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program Participation Requirements

- A Real Estate Broker/Agent must be retained to market a property within 7 days of the date the Approval to Participate is granted
- Listing Agreement must include the cancellation clause
- Real Estate Broker/Agent must market the Property at the "As-Is" value within the established timeframe per the ATP agreement
- Broker/Agent shall never be permitted to claim a sales commission on a PFS of his or her own property, or that of an immediate family member
- Mortgagee must verify all participants' eligibility using the SAM Excluded Parties List and the LDP list, as applicable

Ref: HUD Handbook 4000.1, Sec. III.A.2.l; Sec. V.A.3.f

Preforeclosure Sale Program
Mortgagee Monitoring

- Mortgagee must monitor the PFS transaction in its entirety to ensure the Borrower's compliance with the terms in the Approval to Participate and with all PFS Program requirements
- Borrower must maintain the property during the PFS marketing period

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Property Inspections

- Mortgagee must conduct property inspection on the 45th day of delinquency if there has been no contact with Borrower
- Property Preservation and Protection inspections (P&P) not required during the approved PFS period if contact with Borrower is maintained
- Mortgagee must inspect Properties during the PFS period if:
  - The Property is vacant
  - If there is reason to believe the property has become vacant during the PFS period
  - the Borrower or Authorized Third Party has not maintained contact with the Mortgagee

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program - Determination that the Property is Vacant or Abandoned

- If the Mortgagee determines through an Occupancy Inspection that the Property is vacant or abandoned, the Mortgagee must:
  - Send a letter, via certified mail or other method, providing delivery confirmation to Borrowers at the property address informing them of the Mortgagee's determination that the Property is vacant or abandoned
  - Letter must include the Mortgagee's contact information
  - Commence Vacant Property Inspections; and
  - Take appropriate Property Preservation and Protection actions to secure and maintain the Property

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program Marketing Period

Maximum Marketing Period:

- Borrower has 4 months from the date of the Mortgagee's Approval To Participate in the PFS program to obtain a signed sales contract
- An automatic two month extension to complete the PFS sale is available if one of the following exists:
  - The Mortgagee has an "A" TRS II/Tier 1 score under HUD's TRS II
  - There is a signed Contract of Sale but settlement has not occurred by the end of the fourth month

Minimum Marketing Period:

- Properties must be marketed in MLS for a minimum of 15 calendar days

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Evaluation of Offers

Submission Requirements:

- Following the 15-day minimum, offers may be evaluated as they are received
- If multiple offers are received, the Listing Agent/Broker must provide the Mortgagee an offer that:
  - Yields the highest return to HUD, and
  - Meets HUD guidelines for bid requirements
- "Back-up" offers must remain in the Listing Agent/Broker's possession
- All offers received must be retained in accordance with state law

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Contract Approval – Net Sales Proceeds

Minimum Net Sale Proceeds:
The PFS Sales Price less Closing/Settlement Costs

- **0-30 days of Marketing Period** - Net 88% of "As Is" appraised Fair Market Value
- **31- 60 days of Marketing Period** - Net 86% of "As Is" appraised Fair Market Value
- **61 days - duration of PFS Marketing Period** - Net 84% of "As Is" appraised Fair Market Value

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Arms-Length Transaction

Standard Requirements:

- The PFS must be between two unrelated parties
- No party that is a signatory on the sales contract, can serve in more than one capacity
- The Broker hired to sell the property may not share a business interest with the Mortgagee

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Non-Arms-Length Transaction

Permitted Non-Arms-Length Transactions:

- Where state law prohibits placement of an arm's-length transaction requirement on property sales, non-arms-length transactions are permitted only to the extent necessary to comply with state law
- If clauses (a) and (c) of the PFS Addendum are impermissible under state law, these clauses may be stricken from the PFS Addendum prior to execution, provided the transaction complies with all other PFS program requirements

Relocation Service Contribution:

- Mortgagee may permit a Relocation Service affiliated with the Borrower's employer to contribute a fixed sum towards the proceeds of the PFS transaction without altering the arms-length nature of the sale

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Contract Approval Review

- Sales by Assumption are not acceptable
- Contract may not contain any hidden terms or special agreements between any of the parties to the transaction
- Mortgagee must determine if the property was marketed close to the appraised fair market value and meets minimum required Tiered Net Sales Proceeds
- All parties involved in a PFS transaction must sign and date a PFS Addendum as a contingency for a PFS transaction to close
- Mortgagee will have 5 working days from receipt of an executed Contract for Sale to respond back to the Borrower using the Form HUD-90051 (Sales Contract Review)

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Contract Approval – Settlement Costs

Allowable Settlement Costs:

- Up to 6% sales commission
- Real estate taxes
- Local/state transfer tax stamps and other closing costs customarily paid by the Seller
- Incentive Compensation paid to qualifying Owner-Occupant Seller of $3,000
  - Upon extinguishing the Owner-Occupant Borrower's compensation of $3,000, HUD will allow an additional $1,500 of Net Sale Proceeds to be used to resolve junior liens, for a total of $4,500;
- For Non-Occupant Borrowers, $1500 for the discharge of junior liens
- The entire outstanding Partial Claim amount must be paid when calculating the Net Sale Proceeds
- Up to 1% of the Buyer's first mortgage amount if the sale includes FHA financing

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Contract Approval – Settlement Costs

Non-Allowable Settlement Costs:

- Repair reimbursements or allowances
- Home Warranty fees
- Discount points or loan fees for non FHA-financing
- Mortgagee's Title Insurance fee
- Third Party Fees

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Pre-Foreclosure Sale Program
Disallowable Fees Paid from Seller's Funds at Closing

The following list of disallowable costs is not intended to be all-inclusive; rather, it is representative of the types of settlement fees disallowed under the PFS Program

Disallowable Fees
•Administration Fees •Application Fee •Attorney Fees, EXCEPT in states that require an attorney to close the transaction •Broker Administrative Fee •Buyer's – Appraisal •Conveyance Fees •Courier Fees •Credit Report •Discount Points for Loan Fees for Non- FHA financing •Document Preparation Fees •Escrow Fees •Flood Certification Fee •Hazard Insurance Premiums •Home Warranty •Lender's Title Insurance

Disallowable Fees
•Lien Release Fee •Loan Origination Fees •Mail Fees •Notary Fees •Option Fees •Pest Inspection •Processing Fees •Recording Fees •Repair Reimbursements or Allowances •Reporting Fees •State Regulatory Fee •Tax Search •Tax Service Fee •Third Party – Mediation and/or Negotiation Fees •Tracking Fees •Underwriting Fee •Other fees commonly classified as "junk fees"

Preforeclosure Sale Program
Closing & Post Closing Responsibility

- Mortgagee to provide Closing Agent with Form HUD-90052 "Closing Worksheet" and PFS Addendum
- Closing Agent to provide Mortgagee a copy of Closing Disclosure for final review
- Upon final approval from Mortgagee, Closing Agent must pay expenses and forward the net sales proceeds, Closing Disclosure, and executed PFS Addendum to Mortgagee
- PFS must be reported to National Credit Bureaus as a "Short Sale" by Mortgagee

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Mortgagee Closing Requirements

Satisfaction of Debt:

- Mortgagee must satisfy debt upon receipt of portion of Net Sales Proceeds and may file claim for insurance benefits

Discharge of Junior Liens:

- If Borrower has the financial ability, the Borrower must be required to satisfy or obtain release of liens
- If Owner-Occupant Borrower receives compensation ($3,000), this compensation may be applied towards discharging liens
- If no other sources are available, both the Owner-Occupant Borrower and the Non-Occupant Borrower may obligate up to an additional $1,500 from sale proceeds towards discharging liens or encumbrances

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Causes for Early Termination

- Borrower may voluntarily terminate participation in PFS
- Unresolvable Title issues
- Determination that the Borrower is not acting in good faith to market the property
- Significant change in property condition or value
- Re-evaluation of the information provided by the Borrower indicates that the case does not qualify for the PFS Option
- Mortgagee must forward to the Borrower a date-stamped written explanation for terminating their program participation

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Failure to Complete a PFS

- At the expiration of the PFS period, the Mortgagee must re-evaluate Borrower for available Loss Mitigation Options
- Within 90 days of the expiration of the PFS period, review for Deed-in-Lieu of Foreclosure or commence Foreclosure

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program Incentives and Claim Filing

Incentive Claim must be submitted to HUD within 30 days of PFS closing

- HUD will reimburse Mortgagees for reasonable and customary costs including:
  - Appraisal Fee(s)
  - Title Search (if not included in Settlement Statement)
  - Allowable percentage of legal fees for a postponed foreclosure
  - Disbursements for taxes, assessments, hazard insurance (pro rata)
  - HUD will not pay property-related costs which were incurred after the Preforeclosure Sale closing date

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program
Erroneous Termination of Mortgage Insurance

- Mortgagee must not submit a Mortgage Insurance Termination in situations where the Mortgagee has filed or intends to file a claim for FHA insurance benefits
- HUD can only pay FHA mortgage insurance benefits when the mortgage insurance is in an "active" status

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Preforeclosure Sale Program Reporting Requirements

Mortgagees are required to update HUD's Single Family Default Monitoring System with 2 default status codes when utilizing the PFS Program.

- Status Code 15 indicates the Borrower has been accepted into the PFS Program
- Status Code 17 indicates that the PFS transaction has been completed

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Test Your Knowledge

1. The Mortgagee must submit a variance request through HUD's EVARS system to validate the FHA Appraisal if which of the following apply:
   A. The current FHA appraised "as is" value is less than the UPB by $75,000 or greater
   B. The current FHA appraised "as is" value is less than 50% of the UPB
   C. The current FHA appraised "as is" value is affirmed using a BPO or AVM and is more than or less than 10% of the value assessed
   D. All of the above
   E. None of the above
2. All borrowers qualifying under the Standard or Streamlined PFS option are entitled to an Incentive Fee of $3,000.
   A. True
   B. False
3. A borrower qualifying under the Standard PFS option, **must** make a cash contribution.
   A. True
   B. False

Deed-In-Lieu of Foreclosure (DIL)

Deed-in-Lieu of Foreclosure (DIL) Overview

A Deed-in-Lieu (DIL) of Foreclosure is a Loss Mitigation Home Disposition Option in which a Borrower voluntarily offers the deed as collateral Property to HUD in exchange for a release from all obligations under the Mortgage

- Available DIL Options:
  - Streamlined PFS
  - Streamlined PFS for Servicemembers with Permanent Change of Station (PCS) Orders; and
  - Standard PFS
- Mortgage must be in Default or at risk of Imminent Default
- Borrower must first attempt to market Property under the PFS Program

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Streamlined Option

DIL– Overview:

- Mortgagee is not required to verify Borrower hardship, or to obtain a complete Borrower workout package
- Available to qualifying Owner- Occupants and Non-Owner Occupants

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Streamlined Option - Non-Owner Occupied

Non- Owner Occupant Requirements:

- Borrower must be 90 days or more delinquent as of the date of the Mortgagee's review
- Each Borrower must have a credit score of 620 or less
- Must have attempted to complete a PFS transaction

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Streamlined Option - Owner Occupant

Owner-Occupant Requirements:

- Borrower must be 90 days or more delinquent as of the date of Mortgagee's review
- Each Borrower must have a credit score of 620 or less
- Borrower must have been reviewed for Loss Mitigation Retention Options
- Borrower must also meet one or more of the following conditions:
  - Defaulted on a Trial Payment Plan within the last six months
  - Defaulted on an FHA-HAMP or standard modification within the last two years
  - Has been deemed ineligible for a permanent home retention option
  - Received a Special Forbearance but did not qualify for a permanent home retention option by the end of the forbearance period
- Borrowers who are deemed eligible for and offered a loss mitigation home retention option, must meet the following additional requirements:
  - Credit score must be less than 580
  - Must provide written documentation that he/she chooses not to accept the loss mitigation home retention option offered by the Mortgagee
  - Must have attempted to complete a PFS transaction

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Streamlined Option - Servicemembers

Servicemembers with PCS Orders:

- Must provide Mortgagee with PCS (Permanent Change of Station) orders verifying new duty station is 50 miles or more away from existing residence
- Servicemember must submit an affidavit certifying:
  - FHA-insured mortgage is or was their principal residence, and,
  - New permanent housing has been or will be acquired due to Orders
  - Must have attempted to complete a PFS transaction

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Standard Option

DIL Standard Option – Overview:

- Must be Owner-Occupant
- Standard option is available to a Borrower facing Imminent Default or a Defaulted Borrower
- Borrower must have a verifiable Hardship
- Mortgagee must apply the Deficit Income Test
- Borrower may be required to make a Cash Contribution

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Standard Option – Occupancy Exceptions

- Mortgagees may grant exceptions to Non-Occupant Borrowers when the need to vacate was related to the cause of Default; and
  - The subject Property was not purchased as a rental or used as a rental for more than 18 months prior to the Borrower's acceptance into the PFS Program
- Mortgagee must submit a variance request to use the PFS/DIL Option to the NSC via EVARS when the Property is owned by a corporation or partnership

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL)
Standard Option - Deficit Income Test

Verify Borrower's monthly net income by obtaining one of the following:

- Two most recent pay stubs
  - If Self-Employed: Recent quarterly or year-to-date Profit and Loss statement compiled by a CPA
- Social Security Income and/or Disability Statements
- Recent W-2, Form 1099, or Federal Tax Return

Verify the Borrower's monthly expenses:

- Credit Report
- Expenses supported by bills, payment receipts, and/or the standard payment amounts under an IRS Index
- Past-due balances use minimum payment prior to delinquency

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL)
Standard Option - Cash Reserve Contribution

Cash Reserve Contribution Required Documents:

- Borrower's three most recent monthly bank statement(s)
- Three most recent months of brokerage statement(s)
- Borrower's most recent Federal Tax Return at the time the Borrower requests an approval for a Standard Preforeclosure Sale

Cash Reserve Contribution Calculation:

- Calculate Total Cash Reserves using highest ending balance of each asset
  - Borrowers with cash reserves greater than $5,000 will be required to contribute 20% of the total amount exceeding $5,000 (not to exceed the difference between the unpaid principal balance and the appraised value of the property)

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL)
Condition of Title

- Mortgagee must convey clear and marketable Title to the Secretary
- Mortgagee must obtain a Title search or Preliminary Title Report
- Title may not be impaired by:
  - Unresolved title problems
  - Junior Liens that cannot be discharged

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Disclosure Requirements

Prior to approval for a DIL, Mortgagee must notify Borrower in writing of the following:

- The mortgage must be in default on the date the Special Warranty Deed is executed
- DIL transactions are reported to Credit Bureaus
- Servicemembers should obtain guidance from employer regarding the potential impact on security clearance and employment
- CAIVRS Reporting and potential impact

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Borrower Incentive

- Owner-Occupant Borrowers are eligible to receive a consideration of up to $2,000 upon vacating the Property and satisfaction of the requirements of the DIL Agreement
  - *HUD will not pay this consideration if the Property is occupied at conveyance*

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Agreement Requirements

- A written Deed-in-Lieu Agreement must be executed by the Borrower and Mortgagee which contains all of the conditions under which the deed will be accepted
- The Mortgagee must ensure that the DIL documentation is in compliance with all applicable laws and regulations

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Conveyance to HUD

- Mortgage must be in Default when the DIL is recorded and the Property conveyed to HUD
- HUD will not accept titles subject to most junior liens, including IRS liens
  - HUD will allow liens securing repayment of Section 235 assistance payments, Partial Claim advances, and Title I liens
- Borrower and the Mortgagee must convey the Property through a special warranty deed and, when possible, the Borrower must convey title directly to HUD
- Mortgagee must record the special warranty deed and deliver the original, recorded deed to HUD's MCM within 45 Days of the date the clear and marketable title was conveyed to the Secretary
- Property must be vacant at time of conveyance

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL) Required Timelines

- Mortgagee must complete the DIL or initiate foreclosure within six months of the date of Default, unless the Mortgagee qualified for an automatic 90-Day extension by first attempting a Loss Mitigation Option or has received an extension approved by the NSC via EVARS
  - If the DIL follows a failed SFB-Unemployment Agreement or PFS, the DIL must be completed or foreclosure initiated within 90 Days of the failure
  - If the DIL follows any other Loss Mitigation Option, it must be completed or foreclosure initiated within six months of the date of Default

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Deed-in-Lieu of Foreclosure (DIL)

Incentive Compensation:

- Mortgagee may submit a claim for $250 Incentive Fee
- Reimbursable expenses include reimbursement of title costs limited to $250

Reporting to Consumer Reporting Agencies and the IRS:

- Mortgagee must not report DIL transactions to consumer reporting agencies as foreclosures

Reporting of DIL:

- Mortgagee must report in SFDMS the appropriate Claim Termination of Insurance Code to indicate the DIL completion date

Ref: HUD Handbook 4000.1, Sec.III.A.2.l

Test Your Knowledge

1. If a Deed in Lieu follows a failed Home Retention Option or the Preforeclosure Sale Program, then the Deed in Lieu must be completed or foreclosure initiated within ___ days of the failure.

   A. 30

   B. 60

   C. 90

2. An account must be a minimum of __ days delinquent when the special warranty deed is executed for a DIL?

   A. 31

   B. 62

   C. 90

3. A borrower does not need to make a cash reserve contribution if they qualified under the Standard DIL Option.

   A. True

   B. False

Extension and Variance Automated Requests System (EVARS)

EVARS Overview

Extensions and Variances Automated Requests System (EVARS)

- A web-based application providing lenders an opportunity for automated request, review, approval, and rejection of Extensions of Time and Variances related to FHA-insured Title II forward loans

EVARS
System Access

EVARS Registration Process

- Prior to registration, all new users must successfully complete EClass Module 9 – EVARS
- System access request must be submitted through EVARS
- NSC confirms receipt of request via email
- User must return the EVARS Authorization Form signed by the registrar Supervisor to extensionrequests@hud.gov
- NSC will review and approve EVARS Access

EVARS System Menu Options

- Request for Extension
- Request for Variance
- Lender's Inbox
- Julian Date Calendar
- EVARS Glossary
- Change Your Password
- Support

EVARS – Key Terms

- **FIRST LEGAL DEADLINE (FLD):** 6 months from the Date of Default

  - **Example:** Last paid installment – May 1, 2014
    Oldest unpaid installment – June 1, 2014
    Date of default – July 1, 2014
    First legal deadline = Jan. 1, 2015

- If the mortgage is in default and the property has been determined to be vacant or abandoned, foreclosure must be initiated by the earliest of:
  - Six months from the date of default; or,
  - 120 days after the date the property become vacant, was discovered vacant, or should have been discovered vacant

EVARS
What is an Extension of Time Request?

Extension of Time Request:

- A formal request that requires HUD's National Servicing Center approval to extend the timeframe required to meet the first legal deadline associated with the foreclosure process
- Extension of Time is a tool afforded to Lenders to assist in the initiation or completion of HUD's Loss Mitigation Program (except Preforeclosure Sales Program) and/or foreclosure action
- The approved Extension avoids curtailment of debenture interest on future claims
- Extensions apply to HUD's FHA-insured Title II loan programs

90- Day Automatic Extensions to HUD's Initiation of Foreclosure Timeline

Extension	Description
Bankruptcy	Mortgagees are allowed an automatic 90-day extension from the date of the applicable release of stay or bankruptcy discharge date.
Presidentially-Declared Major Disaster Areas	Mortgagees are allowed an automatic 90-day extension from the date the foreclosure moratorium expires.
Loss Mitigation	Mortgagees are allowed an automatic 90-day extension from the first legal action initiating foreclosure if they have evaluated and approved a Borrower for loss mitigation before the expiration of that first legal timeframe and need additional time to send and receive back the executed documents or to initiate foreclosure.
Special Forbearance	Mortgagees are allowed an automatic 90-day extension from the failure of a Special Forbearance (SFB) – Unemployment or completion of a SFB to review for additional loss mitigation options or to initiate foreclosure.
Pre-Foreclosure Sale	(Mortgagees are allowed an automatic 90-day extension from the expiration of the PFS marketing period to pursue a deed-in-lieu of foreclosure or to initiate foreclosure if a qualified offer is not obtained.
State Law Prohibition	Mortgagees are allowed an automatic 90-day extension from the expiration of the time during which the foreclosure is prohibited or delayed due to state law prohibitions.
Trial Payment Plans	Mortgagees are allowed an automatic 90-day extension from the date the trial payment plan fails.
Servicemembers Civil Relief Act (SCRA)	Mortgagees are allowed an automatic 90-day extension from the date the SCRA foreclosure moratorium expires.
Loss Mitigation Denial	Mortgagees are allowed an automatic 90-day extension, from the date the borrower has been denied loss mitigation, to comply with the appeals process required by federal regulation.
Federal Regulation	Mortgagees are allowed up to a 90-day extension after the expiration of the time during which foreclosure is prohibited by federal regulation.

Ref: HUD Handbook 4000.1, Sec.III.A.2.r

EVARS
Disaster Moratorium Extension Requests

Disaster Moratorium:

- Effective the date the President declares an area a natural disaster for 90 days
- Applies to mortgages in the affected area where the initiation of foreclosure is imminent, and where foreclosures are already in process
- Normal FHA servicing activity is to continue
- Once the Moratorium expires, Lender has 90 days to initiate a Loss Mitigation Option, or commence/recommence foreclosure
- If additional time is needed an Extension of Time Request must be submitted to the NSC prior to the expiration of the 90 days

EVARS
When to submit an Extension of Time Request

Extension must be requested to extend the First Legal Deadline Date:

- Extension Requests should be submitted within 30 days of the First Legal Deadline
- Lender is to determine the First Legal Deadline Date prior to submitting an Extension of Time Request
- Includes accounting for vacant properties
- Includes accounting for any automatic 90-day extension

EVARS
System-Generated Automatic 60-day Extension

System Generated - Automatic 60-day Extension Approval:

- Must be the initial request for an Extension of Time
- Request must be submitted on or before the original First Legal Deadline Date, (6 mos. from the date of default or 120 days from vacancy date), and must be submitted on or within 30 days prior to the first original legal deadline
- Lender must be reviewing Borrower for a Loss Mitigation option

EVARS
Requesting an Extension of Time

Extension of Time Request:	General Information Section:	Extension of Time to Initiate Foreclosure Section:
• The Request for an Extension of Time is calculated by utilizing the Julian Date Calendar • Once the Lender enters the FHA Case Number, all relevant information associated with the case is automatically uploaded	• Number of days requested • Last Paid Installment Date • Mark the appropriate box as to the reason the Lender needs the extension • Property Occupancy/Vacant Status	• Indicate the date of the action which prohibited the Lender from initiating foreclosure

EVARS

How to Request an Extension of Time

1. Select Extension Type
2. Enter FHA Case Number
3. Click "Submit"

| Log off

Request for Extension

Please select the extension type, enter the FHA Case Number and press the Search button

Extension Type: FHA Insured

FHA Case Number: Format: 999-9999999

Submit

Windows Internet Explorer

Reminder - The Department has been advised that due to a recent change in State Laws or State mandated moratoriums some foreclosures had to be cancelled or stopped and rescheduled to complete all the new legislative requirements. A ninety (90) day extension to commence foreclosure is provided to those mortgages where the initial legal action to commence foreclosure has been timely and the foreclosure sale would have been conducted in the required month but was cancelled to comply with the new legislation. Mortgagees must clearly document the full chronology including this delay in their files and must also indicate this approved extension in Part A, block 19 of the claim. This extension is provided under the authority of 24 CFR 203.355. Written extension requests do not need to be submitted to HUD. Mortgagees should remember that any delays or errors caused by the Mortgagee or their agents do not qualify for an automatic extension of time. Are you sure you want to continue?

OK Cancel

EVARS

How to Request an Extension of Time (cont'd)

HUD HOME | En Espanol | Log off

Request for Extension

Case Information

FHA Case Number:

Mortgagee Information

Mortgagee's Name:

Mortgagee's Address:

City: OKLAHOMA CITY State: OK Zip:

Mortgagee's Contact Person:

Phone: Fax:

Mortgagor Information

Mortgagor's Name:

Property Address1:

Property Address2:

4. Select Extension Type

Please select type of extension you are requestin

- Extension of time to initiate foreclosure.
- Unable to submit recorded partial claim subordinate mortgage within 6 months of execution
- Other(SSCRA/Moratorium/Title Issues/Drug Seizure/Natural Disaster)
- HAMP

Continue

Extension of time to initiate foreclosure

- Loss Mitigation Package
- Additional Time Needed to Commence Foreclosure

Has the Lender approved the borrower for a *HUD* Loss Mitigation option?

- Yes
- No

Has the Lender received a Loss Mitigation application or Loss Mitigation Package from the borrower?

- Yes
- No

Continue

EVARS

How to Request an Extension of Time (cont'd)

Request for Extension

Case Information

FHA Case Number:

Mortgagee Information

Mortgagee's Name:

Mortgagee's Address:

City: State: OK Zip:

Mortgagee's Contact Person:

Phone: Fax:

Mortgagor Information

Mortgagor's Name:

Property Address1:

Property Address2:

City: State: *Zip:

Loan Number: 123

Is this your initial request?
- (•) Yes
- ( ) No

Extension Length (in days)*: 60 days

Last Paid Installment: 07/01/2012 MM/DD/YYYY

Original First Legal Date: 3/1/2013

Are you currently reviewing for loss mitigation? Yes

The Mortgagee is hereby granted an extension which expires on:

Attach Documents (PDF, DOC, ZIP, or image TIF/JPG/PNG only)

Browse...

Property Status: Owner Occupied

EVARS

How to Request an Extension of Time (cont'd)

Extension of time to initiate foreclosure (please fill out date fields in option a, b, or c)

a. Unable to initiate foreclosure within 90 days after release date from State law or bankruptcy.

Date Stay Lifted

MM/DD/YYYY

b. Unable to initiate foreclosure within 90 days of loss mitigation failure.

Request for Extension

Extension Request Confirmation

Your extension request for FHA Case# 221-: has been *Approved*. You are hereby granted an extension which expires on 04/30/2013.

Please Click here to Request Another Extension

02/21/201

Basis for Extension Request

test

Submit Extension | Go Back

EVARS
Partial Claim Documents Extension Request

Partial Claim Extension Request:

- HUD must receive the original Partial Claim promissory note within 60 days of the execution of the documents by the mortgagor
- Recorded Partial Claim mortgage/deed of trust must be received within 6 months of the execution of the security instrument
- If recorded documents cannot be forwarded due to delays, Lender must submit an Extension of Time Request
  - Document delivery delays must be due to events beyond the control of the Lender
  - Request must be submitted prior to the expiration date of the original deadline date

Ref: HUD Handbook 4000.1, Sec.III.A.2.k

EVARS
Partial Claim Extension Request

Extension & Variance
U.S. Department of Housing and Urban Development
Version 1.0.0.0

- Request for Extension
- Request for Variance
- Lender's Inbox
- Julian Date Calendar
- EVARS Glossary
- Change your Password
- Support

Request for Extension

Case Information

FHA Case Number: 999-9999999

Mortgagee Information

Mortgagee's Name: MY CITY BANK
Mortgagee's Address: 123 E 3rd
City: ANYTOWN State: OK Zip: 99999
Mortgagee's Contact Person: JANE DOE
Phone: (999) 999-9999 Fax: (999) 999-9999

Mortgagor Information

Mortgagor's Name: JOHN SMITH
Property Address1: 456 E 6th
Property Address2:
City: ANYCITY State: IA *Zip: 00000

General Information

Is this your initial request? Yes No
Extension Length (in days) * Select Extension Length
Last Paid Installment MM/DD/YYYY
Attach Documents (PDF, DOC, ZIP, or image TIF/JPG/PNG only) Browse...

Unable to submit recorded partial claim subordinate mortgage within 6 months of execution

Date of Execution by Mortgagor MM/DD/YYYY
Date Lender Received from Mortgagor MM/DD/YYYY
Date Document Sent for Recordation MM/DD/YYYY
Date Sent to HUD MM/DD/YYYY
Date Received from HUD MM/DD/YYYY
Basis for Extension Request

Submit Extension

'Requesting an extension of time to return recorded Partial Claim documents to HUD.'

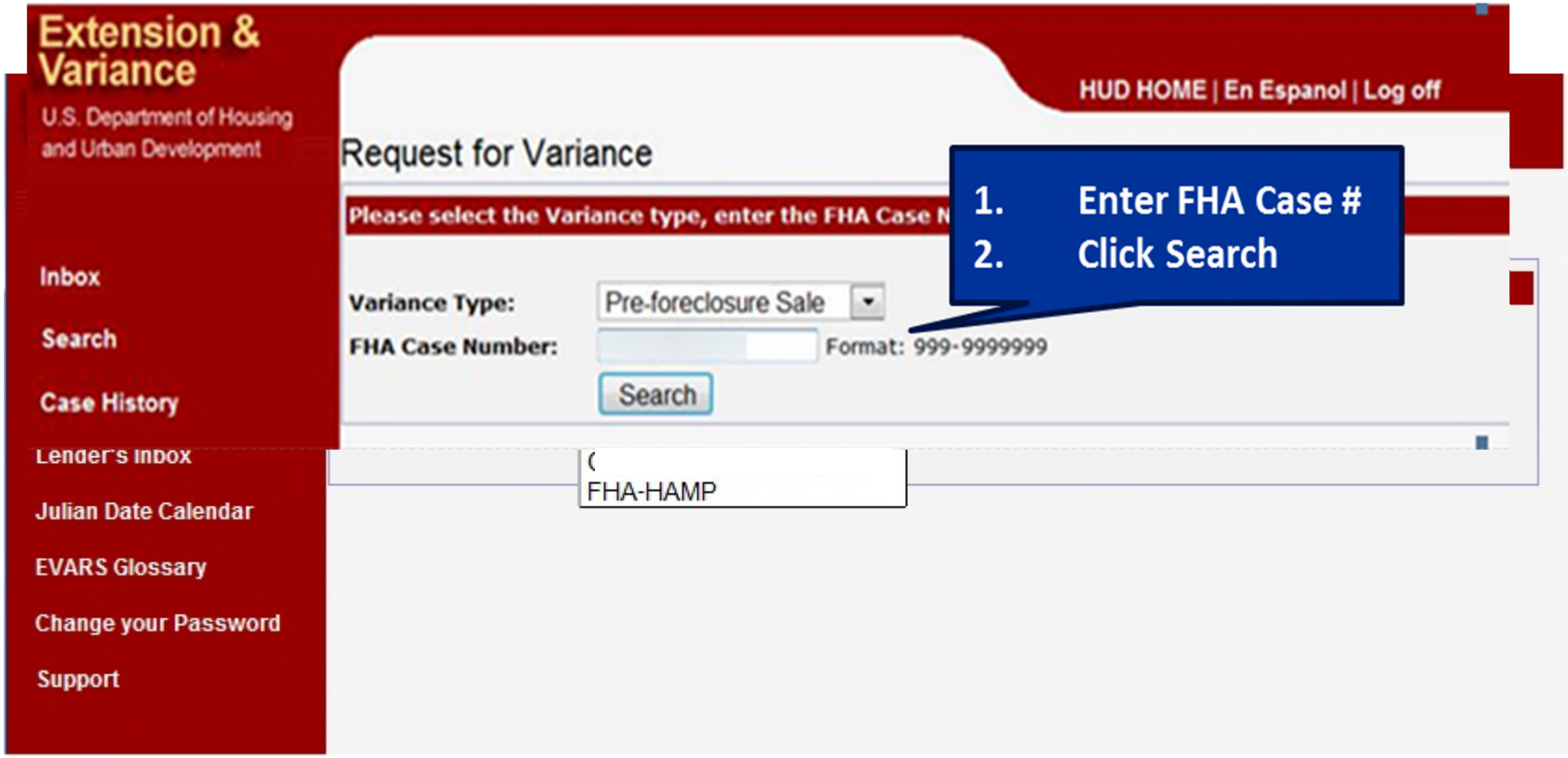
EVARS
What is a Variance?

Variance:

- A formal request that requires HUD National Servicing Center's approval allowing the Lender to vary from HUD's policy (HUD Form 90041).

EVARS

How to Request a Variance



EVARS

How to Request a Variance (cont'd)

Request for Variance

Case Information

FHA Case Number:

Mortgagee Information	Mortgagor Information
Mortgagee's Name:	**Homeowner's Name:**
Mortgage ID No:	**Property Address1:**
Contact Person Name:	**Property Address2:**
Contact Person Phone:	**City:**

Please select type of Variance you are requesting:

- Approval of the subject homeowner's participation in the Pre-foreclosure Sale ... has been withheld due to surcharge damage.
- Approval of a proposed contract of sale has been withheld because the estimated net sale proceeds are less than the required 84 percent of "FMV" appraised value of the subject property.
- Other

Continue

1. Select Type of Variance

EVARS

How to Request a Variance (cont'd)

Extension & Variance
U.S. Department of Housing and Urban Development
Version 1.0.0.0

Request for Extension

Request for Variance

Case Information
FHA Case Number:
999-9999999

HUD HOME | En Espanol | Log off

Request for Variance

Variance Request Confirmation

Your variance request for FHA Case# is currently *Pending Review*. A decision will be available in your EVARS inbox within 72 hours.
Please login and check your inbox later for decision from HUD.

Please Click here to Request Another Variance.

MM/DD/YYYY

Browse...

Is this your initial request?
Yes
No

Last Paid Installment Date:
MM/DD/YYYY

Jusification for requesting HUD approval of this Variance:

Submit Variance | Go Back

EVARS

HELP – ERROR NOTIFICATIONS

Server Error

500 - Internal server error.

There is a problem with the resource you are looking for, and it cannot be displayed.

File Edit View

hud evars

Welcome to

Reports

Julian Date Calendar

EVARS Glossary

Change your Password

Support

Lender Replication

Request for Extension

Request for Variance

HUD Home | En Español

Michael Wolff

Contact Person Phone: 4056098483

*City: *State: State *Zip:

Approval of a proposed contract of sale has been withheld because the estimated net sale proceeds are less than the required percentage per ML 2008-43.

Approval of a proposed contract of sale has been withheld because the estimated net sale proceeds are less than the required percentage per ML 2008-43.
A copy of the HUD-1 is attached.

"FMV" Appraised Value: $ Gross Sales Price: $ Estimated Net Sales Proceeds: $

Ratio of estimated Net Sale Proceeds to "FMV" Appraised Value (as percent) %

Expiration Date of Appraisal: MM/DD/YYYY

Attach Documents (PDF, DOC, ZIP, or image TIF/JPG/PNG only) Browse...

Is this your initial request? Yes No

Last Paid Installment Date: MM/DD/YYYY

Jusification for requesting HUD approval of this Variance:

Submit Variance

2:58 PM

TO AVOID SERVER ERROR CODE:

1. Ensure all fields are complete
2. Clear Internet Browsing History and/or Lender Cache

Attachment 3

FUNCTIONAL REQUIREMENTS DOCUMENT

Single-Family Mortgage Asset Recovery Technology (SMART)—Baseline

U.S. Department of Housing and Urban Development

May 15, 2009

Revision Sheet

Release No.	Date	Revision Description
Rev. 1	03/2008	Post-transition draft
Rev. 2	08/2008	Revised draft
Rev. 2.5	05/2009	Updated draft

Functional Requirements Document Authorization Memorandum

I have carefully assessed the baseline Functional Requirements Document for the Single-Family Mortgage Asset Recovery Technology. This document has been completed in accordance with the requirements of the HUD System Development Methodology.

MANAGEMENT CERTIFICATION—Please check the appropriate statement.

_____ The document is accepted.

_____ The document is accepted pending the changes noted.

_____ The document is not accepted.

We fully accept the changes as needed improvements and authorize initiation of work to proceed. Based on our authority and judgment, the continued operation of this system is authorized.

_____	_____
Vance B. Morris, Director U. S. Department of Housing and Urban Development	DATE
_____	_____
Felicia B. Jones, Government Technical Representative U. S. Department of Housing and Urban Development	DATE
_____	_____
Donald Scott, Management Information Specialist U. S. Department of Housing and Urban Development	DATE
_____	_____
Alexina Person, Contract Manager Morris-Griffin Corporation	DATE
_____	_____
Matthew Blackwell, Director of IT Morris-Griffin Corporation	DATE

Functional Requirements Document

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1.0 GENERAL INFORMATION

1.0 GENERAL INFORMATION

1.1. Purpose

The Functional Requirements Document (FRD) defines the functional requirements for the Single-Family Mortgage Asset Recovery Technology (**SMART**) system. **SMART** is a Microsoft® Windows®-based Graphical User Interface (GUI) client/server application used to manage loan processing operations for the U.S. Department of Housing and Urban Development (HUD).

Currently, **SMART** is used to perform a wide range of Federal Housing Administration (FHA) Insured and Secretary-Held first, second and subordinate note and mortgage loan servicing functions, specifically processing the mortgage transactions for both forward and reverse mortgages, including interest, appreciation, amortization and other calculations for the Secretary-Owned Title II portfolio.

The **SMART** system is a major application that services a total of 704,216 loans:

- Open loans—514,367
- Closed loans—188,868[1]

The system allows users to search and review loan information, foreclosure and bankruptcy activity, make and review disbursements, run reports, send letters, and manage and control various other loan servicing activities.

The current contract for loan servicing, contract C-DEN-02188 (Contract), and system maintenance of **SMART** was awarded to C & L Service Corporation (CLS) and its subcontractor Morris-Griffin Corporation (MGC), collectively known as CLS-MGC, on September 30, 2007.

1.2. Scope

The **SMART** system streamlines the process of managing the HUD mortgage loan portfolio. The **SMART** system allows users to search and review loan information, foreclosure and bankruptcy activity, make and review disbursements, run reports, send letters, perform customer service duties and manage and control various other loan servicing activities.

1.3. Project References

- HUD System Development Methodology, Release 6.05
- HUD Handbook 2400.25, Revision 1, U.S. Department of Housing and Urban Development Information Technology Security Policy Handbook
- **SMART** Configuration Management Plan
- **SMART** Data Requirements Document
- **SMART** Risk Assessment
- **SMART** System Security Plan
- **SMART** System Subsystem Specifications

[1] Closed loans may require inquiries, correspondence, or congressional servicing.

1.4. Acronyms and Abbreviations

Abbreviation	Description
ACA	Asset Control Area
ACH	Automated Clearing House
CCB	Change Control Board
CHUMS	Computerized Homes Underwriting Management System
CI	Change Item
CLS	C & L Service Corporation
COI	Certificate of Indebtedness
DRD	Data Requirements Document
FHA	Federal Housing Administration
FRD	Functional Requirements Document
GNND	Good Neighbor Next Door, formerly known as Officer/Teacher Next Door (OTND)
GTR	Government Technical Representative
GUI	Graphical User Interface
HECM	Home Equity Conversion Mortgage
HUD	U.S. Department of Housing and Urban Development
HUDAR	HUD Acquisition Regulations
IT	Information Technology
LAN	Local Area Network
MGC	Morris Griffin Corporation
MS	Microsoft
NSC	National Servicing Center
PC	Partial Claims
SAMS	Single Family Acquired Asset Management System
VPN	Virtual Private Network
WPP	Wachovia Positive Pay

1.5. Points of Contact

1.5.1. Information

Organization	Title	Name and Address
HUD	Deputy Director	Felicia B. Jones National Servicing Center 2 West Second St., Suite 400 Tulsa, OK 74103 (918) 292-8958 Felicia.B.Jones@hud.gov
MGC	Contract Manager	Alexina Person 2488 East 81st St., Suite 700 Tulsa, OK 74137 (918) 551-5301 zperson@cls-mgc.com
MGC	Director of IT	Matthew Blackwell 4221 Forbes Blvd, Suite 240 Lanham, MD 20706 (240) 965-1765 mblackwell@morrisgriffin.com

1.5.2. Coordination

Organization	Responsibility
C & L Service Corporation	Current prime contractor for current contract vehicle to maintain and enhance the SMART system
First American Corporation	Provider Tax Payment Service (TPS) file used for determining property tax delinquencies
HUD	Owner of the SMART system; provides general oversight and director for the development and maintenance of SMART
LexisNexis (a division of Reed Elsevier Inc.)	Provider of Banko file for bankruptcy servicing
MGC	Current subcontractor to C & L Service Corporation; charged with the day to day responsibilities related to maintenance of and enhancements to the SMART system
Ongoing Operations LLC	Disaster recovery vendor
Rēkon Technologies	Vendor for release system, Rēkon2000
Wachovia Bank, N.A.	Banking service provider with whom an interface exists for the exchange of checking information

2.0 CURRENT SYSTEM SUMMARY

2.0 CURRENT SYSTEM SUMMARY

2.1. Background

The **SMART** system is deployed in production and continues to undergo maintenance, including minor changes and major enhancements. Morris-Griffin assumed responsibility for maintaining **SMART** through the contract C-DEN-02188, (hereinafter the "Contract"). The organization tasked with maintaining **SMART** as a subcontractor to MGC prior to the most recent contract award was a subsidiary of Clayton Holdings, Inc. (Clayton), First Madison Services. Another Clayton subsidiary, Quantum Servicing Corporation (Quantum) was directly involved in the development of **SMART**.

2.1.1. Initial Development

SMART was initially developed under the name Mortgage Asset Recovery System (MARS) as a proprietary asset management system. The name MARS converted to **SMART** in February 2006. Full ownership of **SMART** was ceded to HUD under the Contract. During the transition phase of the most recent contract award, Clayton and its subsidiaries provided little in the way of system documentation.

2.1.2. Loan Servicing Functions

The **SMART** system currently supports the servicing functions related to a variety of FHA Insured and Secretary-held first, second and subordinates notes and mortgages. **SMART** is capable of handling both forward and reverse mortgages, including the functionality related to certain calculations such as interest, appreciation, amortization and others related to the Secretary-held Title II portfolio.

2.1.3. Data Sources

Though **SMART** is a standalone application, data is provided from a variety of sources including bulk data import, manual data entry, and direct data connection. The table below gives a quick snapshot of how data is used currently in **SMART**.

Data Input/Import to SMART Data	Output/Export from SMART
User	User
Lexis/Nexis (BANKO)	Lexis/Nexis (BANKO)
FARETS/TPS	FARETS/TPS
Rēkon	Rēkon
Strategy/A80N	Reports
SAMS/A80S	FHASL/P013
Wachovia Positive Pay	Wachovia Positive Pay
SFIS/A43	
CHUMS/	

2.1.3.1. HUD Strategy

Presently, **SMART** interfaces with the HUD Strategy mainframe system to receive loan information. Strategy is the HUD system of record for the Assignment Program loans and Partial Claim (PC) Subordinate loans. Prior to the operation of the Strategy system, HUD used the Single Family Mortgage Notes (SFMNS or F60P or F60S) system for servicing the Secretary-Held loan portfolio. SFMNS recorded, maintained, and monitored complete commercial mortgage servicing activities for Secretary-Held mortgages. It also contained the historical data for all assigned mortgages prior to 1999.

SMART is the system of record for:

- Single Family Notes
- Title II Secretary-owned first and second mortgages

Therefore, **SMART** is being enhanced to incorporate the historical data and functionality of the Strategy system. Following this, the Strategy system shall be terminated. It is anticipated that the new release of **SMART** incorporating the Strategy functionality is May 1, 2009.

2.1.3.2. HUD P013/FHASL

SMART also interfaces with the HUD P013 Interface Subsystem, a subsystem of the Federal Housing Administration Subsidiary Ledger System General Ledger (FHASL). Data extracted from **SMART** updates FHASL and appropriate accounting reports to automate the posting of transactions in FHASL as well as facilitate the reconciliation of these transactions.

2.1.3.3. Bulk Data

Bulk data is imported into **SMART** as:

- Computerized Homes Underwriting Management System (CHUMS) data
- Single Family Acquired Asset Management System (SAMS) data
- Home Equity Conversion Mortgage (HECM) Claims Disbursements from the Single Family Insurance System (A43) data
- Lexis/Nexis (BANKO) data
- First American Real Estate Tax Service (FARETS) Tax Payment Service (TPS) data

2.1.3.4. External Service Agreements

Lexis/Nexis (BANKO) and FARETS TPS are outside vendors with which MGC has service agreements for tracking bankruptcy filings, dismissal, and discharges, and reporting delinquent taxes, respectively. This information is imported from flat files and exported as listed below.

System	Frequency[2]
User	Daily
Lexis/Nexis (BANKO)	Weekly/Monthly
FARETS/TPS	Daily/Weekly
Strategy/A80N	Daily

[2] If data is both imported and exported, frequency is listed in order of imported and exported.

System	Frequency[2]
SAMS/A80S	Monthly
SFIS/A43	Weekly
CHUMS/	Weekly
Reports	As needed
P013/FHASL	Monthly

2.2. System Objectives and Current Functionality

2.2.1. Availability

The **SMART** system is functional and fully operational during normal business hours, defined in Section 7.1 of the Contract, as between 7:00 A.M and 7:00 P.M. (Central Time). Moreover, the system allows remote access by HUD users.

2.2.2. Authentication and Security

2.2.2.1. Federal System Warning Banner

A pre-logon warning banner is displayed as dictated by the National Institute of Standards and Technology (NIST) Special Publication 800-64 Revision 1. The advisory text provided is:

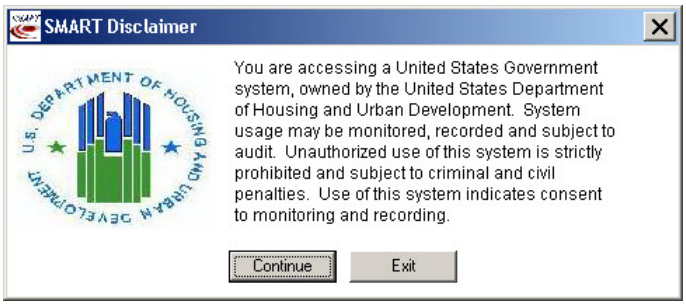

Figure 1. SMART Security Disclaimer

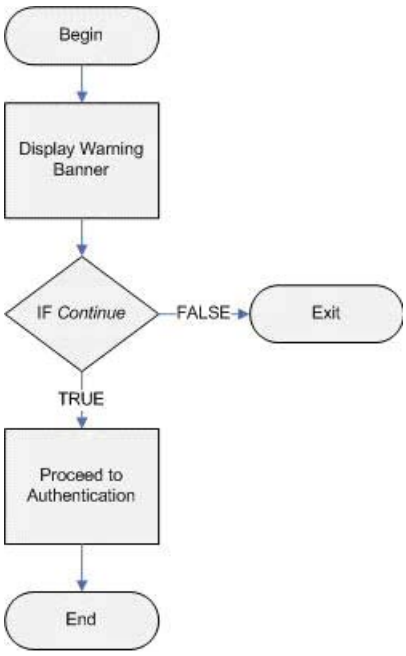

Figure 2. Federal System Warning Process Flow

Users have the option to continue to the logon screen or exit from the system if they do not agree with the terms presented.

2.2.2.2. User Authentication—Logon

Users must be authenticated to access the **SMART** system; either by using Windows® Authentication based on the individual's network credentials or by providing a database user id and password. Additionally, a drop-down menu is displayed with the available databases. Most often, only the default option is offered, limiting access to the production database while running the production executable file. If the user selects the **Cancel** button, the user exitd the system.

Figure 3. SMART Windows® Authentication dialog

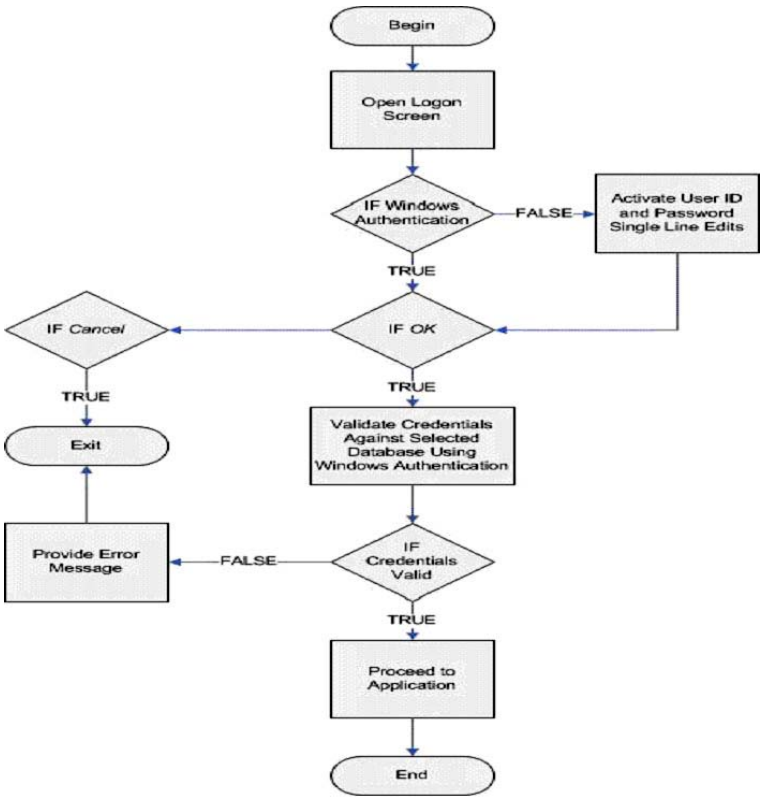

Figure 4. Windows® Authentication Process Flow

2.2.2.3. Logging

The **SMART** system incorporates three types of logging which creates an audit trail of various activities. The first two are covered fully in the SMART System Security Plan. The first of these two is network logging and the second is database transaction logging. The third type of logging, more appropriately within the scope of this document, is trigger-based[3] within the **SMART** application code.

The trigger-based audit logging functionality focuses on recording two general types of changes in the database—loan-based changes and security-relevant changes. Loan-based changes are primarily financial or related to personal information. Security-relevant changes relate to a user or group rights.

Loan-based changes focus on the following areas:

- Automated Clearing House (ACH) Information (for an individual)
- Borrower Information
- Check Information
- General Loan Information
- Loan Exceptions
- Loan Servicing Activity
- Loan Servicing Management

[3] Triggers exist within the SMART database and are associated with certain tables. A given action is performed when certain parameters are met during the insert, update or delete of information in a specific table. In the SMART system, items may only be inserted or updated but not deleted.

- Loan Transactions
- Property Information

Security-based changes focus on the following areas:

- Application Objects
- Users
- User Groups
- User Group Hierarchy

2.2.2.4. Security Interface

A security interface provides the ability to control access to all system objects by group assignment. Also, the security interface allows for the control of user assignments to various groups based on job duties. Such access should be controlled from bottom up, meaning; groups start with the least access and additional access is opened only as needed. See also SMART System Security Plan, Sections 1.2.1-2 and 5.2.3.

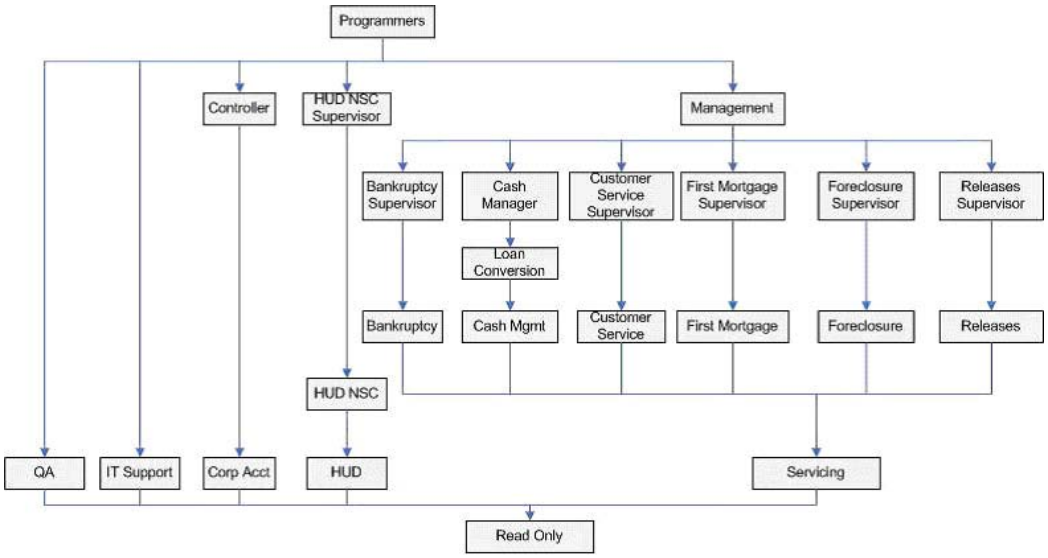

Figure 5. Security Interface

Access to the security interface is limited to system administrators. Access is provided to the main menu, Entry|Security, for user and group management and to Entry|Permissions for object management.

2.2.2.4.1. User and Group Management

Upon open of the User/Group Management window, a specialized tool bar is displayed All active system users are displayed in the data window entitled Users. The group(s) to which a user belongs are displayed or hidden when the name is double-clicked. The same display and hide functionality applies to the data window entitled Groups. The Groups data window displays all active groups and user assignments.

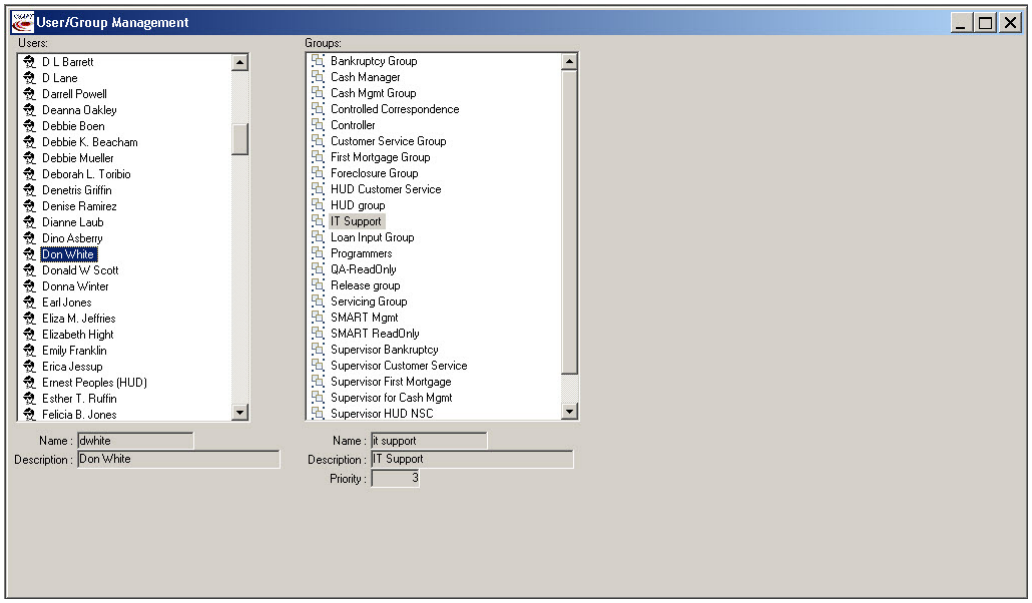

Figure 6. User/Group Management Data Window

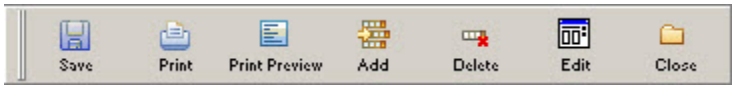

Figure 7. User/Group Management Toolbar

A master/detail data window exists for both Users and Groups. The detail data window for Users displays the user's login (name) and full name (Description). The detail data window for Groups displays the group Name, Description, and Priority (hierarchy, **1** being the highest level of permissions and **99** having the least amount of access rights).

2.2.2.4.2. Object Management

The User/Object Management window provides an interface to control the object level permissions, both for groups and individuals. Each object, including ancestor objects displays in the left data window. The details provided in the data window on the right side of the User/Object Management window provides the control name, status, description and type of control. The right side of the window provides a drop-down list box to show the specific group or individual permissions associated with the object. For each control associated with the particular object, a status can be selected using a drop-down list with these choices:

- Enabled
- Disabled
- Invisible
- Not Set (default)

The window provides radio buttons to show either all controls or only those with an Active status.

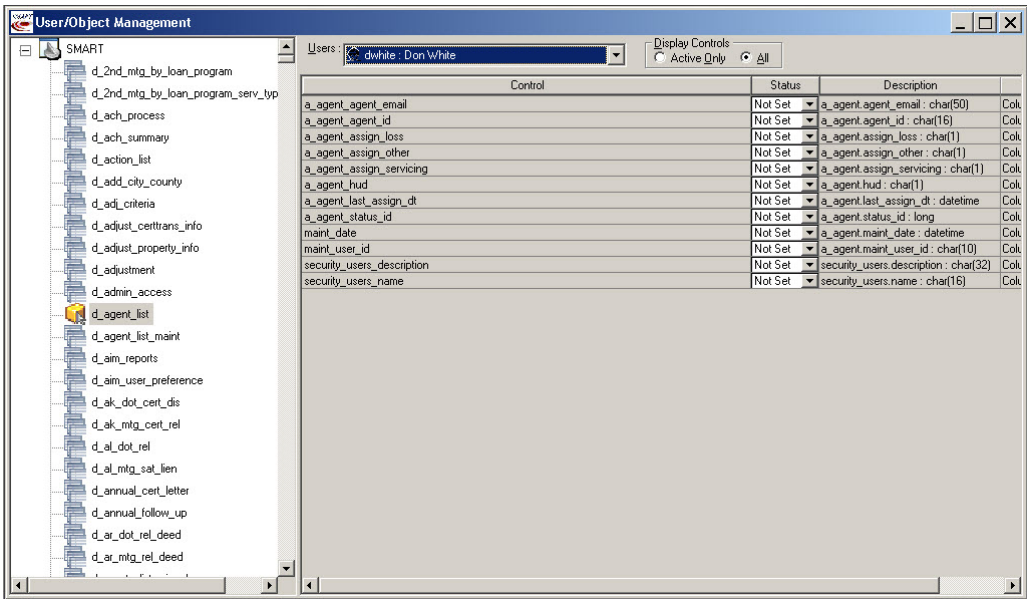

Figure 8. User/Object Management Data Window

When the User/Object Management window is open, a toolbar specific to this window is displayed. This toolbar provides the following options:

- Save
- Print
- Print Preview
- Close.

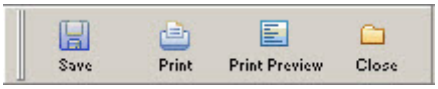

Figure 9. User/Object Management Toolbar

2.2.3. General Navigation

2.2.3.1. SMART Menu Bar

Figure 10. SMART Menu Bar

The **SMART** menu bar provides access to these functions:

- **File Menu**
  - Printer Setup
  - Print Screen
  - Exit
- **Entry Menu**
  - Loan Inquiry
  - Bankruptcy

  - Foreclosure
  - Mtg. Release (Mortgage Release)
  - Servicing
  - Maintenance
  - Cust. Serv. [Customer Service]
  - Security
  - Permissions
- **Tools Menu**
  - Customize Tool Bar
- **Reports Menu**
  - Batch Reports
  - Foreclosure
  - Monthly/Weekly Reports
  - Servicing Release Reports
- **Window Menu**
  - Cascade
  - Tile Horizontal
  - Tile Vertical
  - Layer
  - Minimize all Windows
  - Undo
- **Help Menu**
  - About
- **Status Bar**
  - A status bar on the bottom of the main window frame provides general information related to the current action, debugging status, user and the current database.

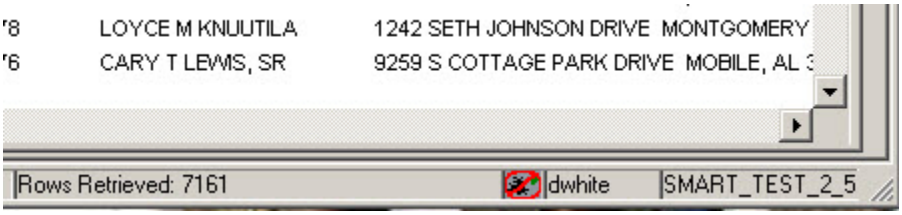

Figure 11. SMART Window Status Bar

2.2.3.2. Module Toolbar

A top-level toolbar allows access to all of the system modules, including:

- Loan
- Bankruptcy
- Foreclosure

- Mtg. Release (Mortgage Release)
- Servicing
- Maintenance
- Cust. Serv. (Customer Service)

Users close **SMART** by clicking the **Exit** button.

Figure 12. SMART Module Toolbar

2.2.4. Loan Inquiries Module

Authorized system users can search loan records based on a variety of criteria. Users additionally have the ability to view and edit loan records.[4] Due to the different servicing requirements for the loans in the **SMART** system, HECM Assigned loans have a separate functionality set from all other, Non-HECM Assigned, loans.

2.2.4.1. Non-HECM Assigned Loans

2.2.4.1.1. Loan Summary

The Loan Summary tab provides information related to current balances, year to date amount paid and monthly constants. The Loan Summary tab provides authorized users the ability to make changes to the data within this tab.

Note: Loans in the HECM Assigned portfolio do not have a Loan Summary tab within the Loan Inquiry window.

2.2.4.1.2. Loan Detail

For non-HECM Assigned loans, the Loan Detail tab provides information related to loan status, loan type, loan amounts, interest rates, important dates and additional information. The Loan Detail tab provides authorized users the ability to make changes to loan detail data.

2.2.4.2. HECM Assigned Loans

2.2.4.2.1. Loan Summary

The requirements for the Loan Detail tab for HECM Assigned loans are significantly different from those discussed above. The information provided in this tab includes:

- Loan payment information
- Rates
- Dates
- Claim payment information

[4] Users are assigned group-based permissions, limiting access to only what is required for a particular job function.

- Loan balance
- Net principal limit
- Set aside balance
- Escrow balance

The Loan Detail tab for HECM Assigned loans provides authorized users the ability to make changes to the data within this tab.

2.2.4.2.2. Loan Balance Transactions

The Loan Balance Transaction tab for HECM Assigned loans provides and interface through which transactions can be viewed the system. Additionally, users with the requisite authorization level have the ability to add new transactions in the system.

2.2.4.2.3. Disbursements

The Disbursements tab provides the ability to initiate payment for various transactions related to servicing the HECM Assigned portfolio. Users with the requisite permissions to initiate a transaction can open the Pay to Selection window by clicking the New button. The New Disbursement window is opened after the data has been completed in the Pay to Selection. An authorized user may open the Edit Disbursement window if the disbursement (either check or ACH) has neither been voided nor printed. After the disbursement has been made, the Edit Disbursement window can only be opened in a read-only mode.

2.2.4.2.4. Property Tax

The Property Tax tab displays the status of tax obligations related to a loan. Data related to property taxes is provided by the FARETS system.

2.2.4.2.5. ACH Information

The ACH Information tab provides authorized users the ability to identify whether the borrower receives a check or an ACH transfer and, if applicable, the borrower's bank information details. To ensure the accuracy of ACH transfers, bank routing numbers are held in the **SMART** database; only valid routing numbers may be entered for a borrower. Furthermore, a confirmation message is displayed that identifies the bank name by the routing number.

2.2.4.2.6. Payoff

The Payoff tab provides pertinent information regarding the loan balance. This tab also provides choices related to the mechanics of paying off a loan, such as:

- Setting the payoff date
- Issuing a payoff letter
- Completing a payoff worksheet
- Entering the payoff transaction

2.2.4.2.7. Monthly Statements

The Monthly Statements tab provides users with the ability to view and print all statements for a particular loan.

2.2.4.2.8. Set Aside and Escrow Transactions

The Set Aside and Escrow Transactions tab allows for authorized users to view, add and edit transactions in a borrower's set aside account, for such items as for repairs and tax escrow.

2.2.4.3. Common Functions

2.2.4.3.1. Loan Filing

The Loan Filing tab is the same for both Non-HECM Assigned and HECM Assigned loans. It contains general information related to the loan filing such as the prior servicer and data pertaining to the physical file record. The Loan Filing tab authorized users the ability to make changes to the data within this tab.

2.2.4.3.2. Loan Recording

The Loan Recording tab is the same for all loan types in the system and captures information related to that which is required by the applicable land records office. The Loan Recording tab provides authorized users the ability to make changes to the data within this tab.

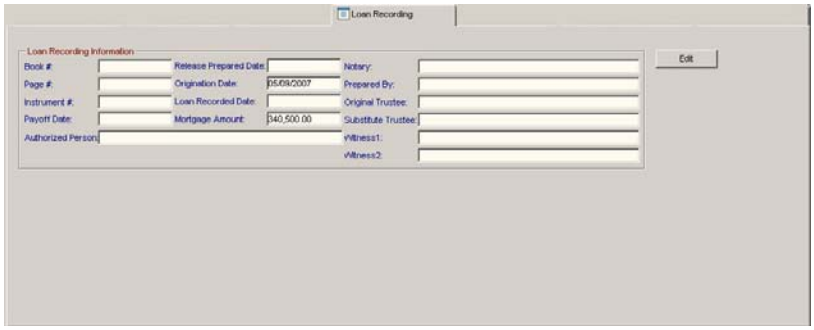

Figure 13. The Loan Recording Tab

2.2.4.3.3. Borrowers

The Borrowers tab is the same for all loan types in the system and contains vital information related to the borrower or borrowers. The Loan Recording tab authorized users the ability to make changes to the data within this tab.

Figure 14. The Borrowers Tab

2.2.4.3.4. Property Inspection

The Property Inspection tab allows input of data related to property inspections and appraisals. Users may enter a new property inspection record by clicking the New button or edit an existing record by selecting the desired row and clicking the View/Edit button or double clicking the row.

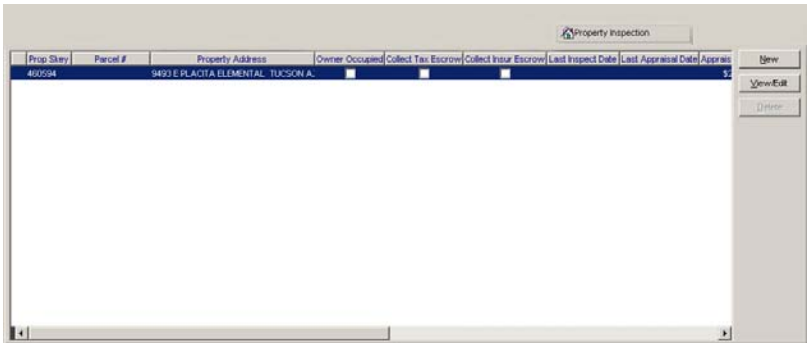

Figure 15. Property Inspection tab

The Property Detail window opens when the View/Edit button is clicked or when a user double-clicks a row in the data window on the Property Inspection tab. The Property Detail window has two tabs, Property Detail and Pictures.

The Property Detail window provides an interface to input a variety of information related to land records recording, appraisals, escrow and inspections. Additionally when a user wishes to edit an existing record, the Property Detail tab provides a link to MapQuest.com with the Map It! link on the bottom left hand corner of the Property Detail window.

The Map It! link, Print Preview button, and Pictures tab are not available for a new record.

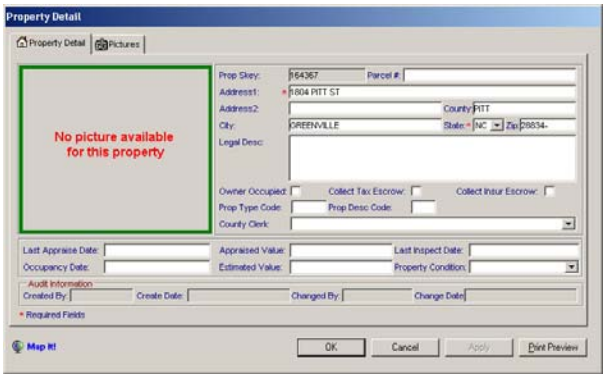

Figure 16. Property Detail Window

The Pictures tab provides the ability to add, edit, view and delete photos to the particular loan file. The data window on the Pictures tab provides the individual identification number associated with the particular image as well as a description, active check box indicator, and creation information.

The Property Picture Entry window opens when either New or Edit buttons are clicked. The Property Picture Entry window provides the interface through which data specific to an individual image is entered. Additionally a user can detach an image when it is not applicable to a loan. Clicking the View button on the Property Detail window, Pictures tab opens the Property Picture window.

Clicking the Preview button opens the Choose Picture window.

The Property Picture window opens when the Open button on the Choose Picture window is clicked. The Property Picture window provides a variety of zoom levels as well as Print and Close buttons.

Clicking the Detach button on the Property Picture Entry window displays a dialog requiring the user to confirm the action to permanently detach the picture from the loan record.

An inspection report is available from the Property Detail window, by clicking the Print Preview button. The Inspection Report window provides a variety of zoom levels as well as Print and Close buttons.

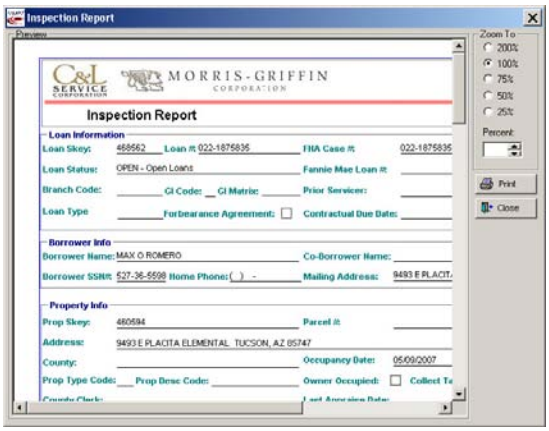

Figure 17. Inspection Report

2.2.4.3.5. Documents

The Documents tab is used to attach and detach documents relevant to a particular mortgage. The Documents tab authorized users the ability to make changes to the data within this tab.

2.2.4.3.6. Notes

The Loan Inquiry page has a tab for Notes for all loan types.

2.2.4.3.7. Mortgage Release

The Loan Inquiry page has a read-only data window displaying mortgage release activity for all loan types.

2.2.4.3.8. Exceptions

The Exceptions tab allows a user to view the exceptions, such as if a borrower is deceased, the loan is in foreclosure or the insurance has expired, to name a few. A new exception can be added or edited for authorized users.

2.2.4.3.9. Servicing

The Servicing tab provides a read-only view of the servicing steps that have taken place for a particular loan. Moreover, the Servicing tab provides filter logic to limit the view to only a certain servicing activity.

2.2.4.3.10. Foreclosure

The Foreclosure tab provides a read-only view of foreclosure activity, if any, that has occurred for a particular loan.

2.2.4.3.11. Bankruptcy

The Bankruptcy tab provides a read-only view of the bankruptcy activity, if any, that has occurred for a particular loan.

2.2.4.3.12. Notes

Users who perform servicing functions as well as HUD users are able to enter notes attached to a particular loan in the system.

2.2.5. Bankruptcy Module

The Bankruptcy module provides for servicing loan in a Chapter 7 or Chapter 13 bankruptcy status. Upon opening the Bankruptcy module, a second level tool bar specific to bankruptcies displays with the Bankruptcy Search window

2.2.5.1. Bankruptcy Steps

This tab identifies the steps taken in the bankruptcy procedure.

2.2.5.2. Bankruptcy Management

This tab is used to identify all information needed to manage the bankruptcy action.

2.2.5.3. Borrowers

Authorized users can input the names of the borrowers affected by the bankruptcy action.

2.2.5.4. Notes

Authorized users can enter notes relevant to the bankruptcy action up to, but not past, its conclusion.

2.2.6. Foreclosure Module

The Foreclosure module manages loan records in the foreclosure process. Provide a timeline of the required foreclosure steps and track the scheduled foreclosure activity against the actual dates for the completed foreclosure activity.

2.2.7. Mortgage Release Module

A critical portion of the mortgage servicing process is the release, where the mortgagor is relieved of his/her obligation to the mortgagee. A release is initiated upon payoff of the outstanding loan amount or upon receipt of notice of the recordation of a deed in lieu of foreclosure. Mortgage releases are sent to the respective state or local entity no later than five business days for all loans except ACA compliance, and no later than three days for ACA compliance loans, from the request for release or receipt of payoff (see Section 15, Performance Requirement 1 of the Contract).

The Mortgage Release Search window has two tabs, Mortgage Release Search, described below and Notes. The Mortgage Release Search tab is used to find open loans which can be released or loans which are already in the release process. A release is initiated by opening a loan in the open status. By doing so, the Loan Release Initiation window is displayed, with a default initiation date as the current date, and which cannot fall on a weekend, and the Deed in Lieu check box. The user is directed to the Mortgage Release Activity window after clicking the OK button on the Loan Release Initiation window.

The top portion of the Mortgage Release Activity window displays Loan, Borrower & Property, and Additional Loan Information. A selection of tabs provide an interface through which data can be entered, edited and viewed for releases.

2.2.7.1. Release Activity

The Release Activity tab provides the steps and scheduled timeframe for completing the release. This tab allows the user to enter the actual date the step was completed as well as add additional steps, such as when mortgage documentation is missing. Rēkon provides the actual completion date.

- Borrowers
- Loan Detail
- Loan Filing
- Loan Summary (Non-HECM Assigned)
- Property Inspection
- Transactions
- Documents
- Loan Recording Information
- Checks—The Checks tab displays the history of checks related to a certain loan. The data provided on this tab is simply read-only. The entry of checks is discussed in detail in Section 4.2.7.3 below.

- Notes
- Exceptions

2.2.7.2. Rēkon

Rēkon is a system provided by Rēkon Technologies which facilitates the release process by providing forms and reference data required by local land records offices and/or other respective authorities. When a release is initiated, a download process, which runs every fifteen minutes, checks for new releases. Upon finding the new release, it extracts the relevant data, and allows the output file created by this process to be uploaded into Rēkon. The process sends confirmation that a loan has properly loaded in Rēkon by sending a trigger based receipt record back to **SMART**.

The Rēkon database directly updates **SMART** upon the population of the Actual Completion Date for any release step with a counterpart in **SMART**.

2.2.7.3. Checks

The Check Search window, available from the menu bar, allows authorized users to search for all checks. Typically, such checks are payable to the respective land records office. Double-clicking a check record displays a read-only window providing the details of a particular transaction.

Financial Management group users can print checks with the appropriate button on the tool bar. A Print Checks provides the ability to print a queue of checks at one time. Upon initiating the check printing, the Express Check Summary window is opened displaying checks to be printed. Also, print options are available, Print Preview and Print Check Summary.

The Print Preview window provides an image of the check and various printing, saving and viewing options. The Print Check Summary gives a list of all the checks printed from the immediate queue. This summary can also be accessed through the Print Preview option. Finally, the search must be run with a selection in the Disbursement Type drop-down list box in order to print checks.

2.2.8. Servicing Module

The Servicing module assigns mortgage servicing templates to individual loans, track the status of each servicing template and generate the corresponding forms and letters.

Note: Once a loan has been selected, SMART displays the relevant data and a button in the module bar that permits the user to directly open the loan details in the Loan Inquiry module.

2.2.8.1. Servicing History

The data in this window identifies all servicing activities associated with the mortgage.

2.2.8.2. Servicing Steps

The data in this tab identify the steps take for the activity selected in the Servicing History window and are auto-populated by **SMART**.

2.2.8.3. Servicing Management

The data in this tab identify the management information relevant to the activity selected in the Servicing History window and are auto-populated by **SMART**.

2.2.8.4. Notes

Authorized users can enter, view, or modify notes for all servicing details of the mortgage loan.

2.2.8.5. Maintenance Module

The Maintenance module sets user default preferences, change password and add new table entries.

2.2.9. Customer Service Module

The Customer Service module provides an intuitive user interface for tracking and controlling service calls, as well as automate and support Loss Mitigation for HUD loans.

2.3. Current Methods and Procedures

Considering that the **SMART** system is currently in production and the purpose of this document is to capture the baseline functionality, Section 4.0 below should adequately address current methods and procedures.

2.3.1. PowerBuilder

SMART end users primarily see the functionality of the **SMART** system through the PowerBuilder front end application (PB Front End). The PB Front End provides a variety of windows, menus, drop-down lists, and other related objects which allow system users to perform the tasks required to service the underlying HUD mortgage portfolio.

The PowerBuilder source code is divided into library files which tend to represent a module of functionality. The library files are divided into two categories, ones that are specific to **SMART** and those which belong to the PowerBuilder Foundation Extension (PFE) and PowerBuilder Foundation Class (PFC) libraries. The PFE and PFC libraries are provided by Sybase, the proprietor of PowerBuilder and are used as base classes upon which core functionality and attributes can be inherited. The PFE and PFC are instrumental in providing the functionality that allows PowerBuilder to be a Rapid Application Development (RAD) tool. The PB Front End is divided into the following modules:

- Bankruptcy
- Customer Service
- Foreclosure
- Loan Detail
- Login/System Security
- Mortgage Release
- Reports
- Servicing

- System Maintenance

2.3.2. Month-End Processing

The month-end process is driven by an executable file and a set of PowerBuilder libraries. Moreover, the underlying code for the month end process is built upon the PFE and PFC libraries. This process is also heavily dependent upon database objects. The month end process is executed by a scheduled job within the Microsoft SQL Server. Specifically, the month end process is driven by a Data Transformation Service (DTS), which is a component of Microsoft SQL Server.

2.3.3. Equipment Being Used

Existing equipment used include, generally: server, workstations, scanner, and other basic infrastructure components. **SMART** does not require any specialized or custom hardware or equipment.

The **SMART** MGC environment network architecture uses Cisco networking equipment. The Server operating system environments maintained include Windows XP®, Windows Server 2003®. The primary development language/tool is PowerBuilder version 10.5 and the Database Management System (DBMS) is MS SQL Server 2000®.

Users may access **SMART** over a local area network (LAN) or remotely through a Citrix application delivery infrastructure via an internet browser. Both the network servers and local user machines all are equipped with virus scanning software with regular virus definition updates.

Communications includes VPN tunnels to HUD using a SonicWall PRO 3060 as a router and two T1 lines that serve as a communication conduit.

The architecture also relies upon a number of redundant components, such as network hardware, power supplies, hard disk Redundant Array of Independent Disks (RAID) 5[5] technology, load balancing, and telecommunications circuits that maximize availability.

All PCs are equipped with virus protection software that is regularly updated. The Gateway Anti-Virus, Anti-Spying & Intrusion Prevention Services software is included in the SonicOS Enhanced software purchased for protection. PCs have a standard configuration of programs. User PCs include Dell Dimension 4700, Dell Precision 490, and Dell OptiPlex 320 and 745.

Further details regarding the equipment used are described in Section 6.0 of this FRD.

[5] RAID 5 provides striped disks with parity allowing for three or more disks work together to prevent data loss in the event of a failure of one disk.

2.3.4. Input and Output

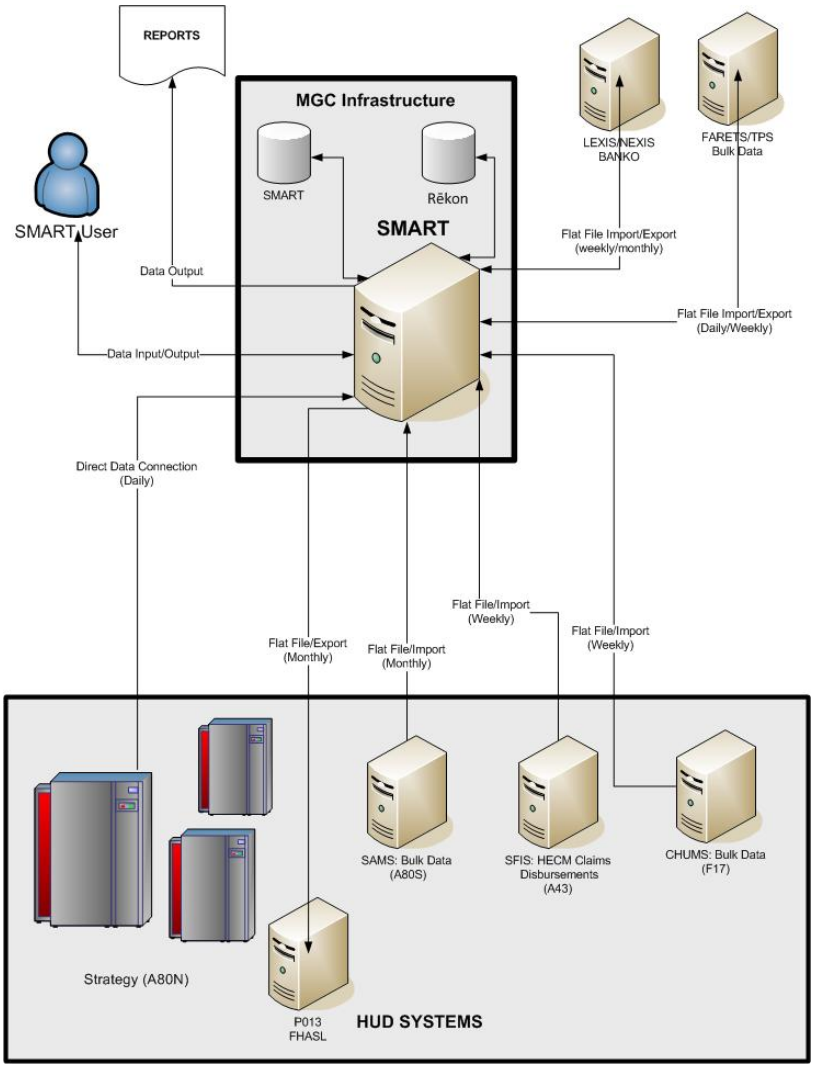

Figure 18. SMART System Interfaces

2.3.4.1. Input

2.3.4.1.1. Strategy

SMART receives data from the Strategy system, which includes Title II Secretary Held First and Second Mortgages on a daily basis. Data is only received from the Strategy system to refresh the data in SMART, but data does not flow from **SMART** back to Strategy.

Strategy is the HUD system of record for the Assignment Program loans and Partial Claim (PC) Subordinate loans. Prior to the operation of the Strategy system, HUD used the Single Family Mortgage Notes (SFMNS or F60P or F60S) system for servicing the Secretary-Held loan portfolio. SFMNS recorded, maintained, and monitored complete commercial mortgage servicing activities for Secretary-Held mortgages. It also contained the historical data for all assigned mortgages prior to 1999.

Strategy is comprised of two separate databases, Database A (DAT-A) and Database B (DAT-B). Database A consists of the Assignment Program loans, and Database B consists of the Partial Claim Subordinate loans.

2.3.4.1.2. Rēkon

Data related to the mortgage release process, generated in the Rēkon system, discussed above in Section 4.2.7.2, is imported into the **SMART** system. Additionally, data for checks created in Rēkon is directly imported into **SMART** by way of a trigger that moves the data between the two respective databases.

2.3.4.1.3. Wachovia Positive Pay

The Wachovia Positive Pay Subsystem (WPPS) is used to assist with the periodic bank reconciliation of the accounts associated with **SMART**. Specifically these accounts pertain to the Home Equity Conversion Mortgage portfolio disbursements, loan release transactions for all portfolios and certain disbursements related to loans in the HUD Strategy system.

2.3.4.1.4. Other Inputs

Users input data manually into the **SMART** system by creating individual records through a series of Wizards and general input screens (of manual entry screens).

Bulk data can be imported into **SMART** from several HUD systems. The following is a list of HUD Applications from which **SMART** obtains additional data:

- Computerized Homes Underwriting Management (CHUMS)
- Home Equity Conversion Mortgage (HECM) Claims Disbursements—data from Single Family Insurance System (A43)
- Single Family Acquired Asset Management System (SAMS)

Data is also imported into **SMART** from sources listed below:

- First American Real Estate Tax Service (FARETS)—Tax Payment Service (TPS) data, i.e. real estate property tax due dates, delinquencies, and penalties
- LexisNexis/BANKO—provides confirmation of a homeowner's bankruptcy status
- Strategy system—**SMART** receives loan information from the HUD Strategy system.

2.3.4.2. Output

2.3.4.2.1. Reports

2.3.4.2.1.1. Foreclosure

- Foreclosure Activity Listing

2.3.4.2.1.2. Monthly/Weekly reports

- Automated Month-end Reporting
- Details For Expired Mortgages Not Sent For Recording
- Details For Subordinations Carried Over (Working On)
- HECM Insured—Monthly Activity Invoice Detail Report
- HUD Monthly Director Report

- HUD Monthly Director Report—Collection Summary
- HUD Monthly Director Report—Loan Inventory Summary
- HUD Monthly Director Report—Summary (Ending UPB)
- List of Open Loans (At Month End)
- Loans Not Processed in Month End
- Monthly Claims Paid Report
- Monthly Counts
- Mortgage Monthly Statements
- Weekly Counts

2.3.4.2.1.3. Servicing/Release reports

- Audit Log by User
- Audit Tracking Report
- Audit Tracking Report By User
- Calculation Log
- Closed Loan Files
- Congressional Report
- Disbursement Detail
- Disbursement Summary
- Export Banko File
- Export Chase Check Reconciliation
- Export Files With Missing Documentation for DCPS
- Files With Missing Documentation
- HECM Complaint Report
- Loans Released With Balances
- Missing Loan Document Detail
- Needs Custodial Care Report
- Release Activity Steps By User
- Title Approval Denied Report
- TPS Data Import Details
- Transaction Detail Report

2.3.4.2.1.4. Customer Service

- Comprehensive Report
- Controlled Correspondence Report
- CSC/HUD Closed Ticket Status
- HUD Specialist Closed Ticket Status
- HUD Specialist Open Ticket Status
- HUD Specialist Tickets by Call Disposition

- HUD Specialist Tickets by Region
- Lender Specific Report
- Performance Summary
- Reason for Calling Report
- Tickets by Call Disposition
- Trend Report

2.3.4.2.2. Rēkon

Data related to the initiation of releases from **SMART** is exported to the Rēkon system, discussed in detail above.

2.3.4.2.3. Other System Interfaces

SMART exports data to the following systems:

- HUD Federal Housing Administration Subsidiary Ledger (FHASL)—Data is transmitted to the General Ledger Division of HUD, Federal Housing Administration Subsidiary Ledger (FHASL). This component is a standalone subsystem with the **SMART** framework
- Lexis/Nexis BANKO—a public records database for bankruptcies

2.3.5. Provisions in the Existing System Design

The **SMART** system is managed and maintained by MGC at their Lanham, MD headquarters. Production and disaster recovery instances are located in the Tulsa, OK and the Ongoing Operations, LLC (Ongoing) datacenter in Hagerstown, MD, respectively. The MGC sites in Lanham and Tulsa along with Ongoing are connected through a network mesh, comprised of Blue Ridge[6] devices and T1 lines. A set of Virtual Private Network (VPN) connections exist between the MGC network and HUD systems. Primarily the VPN connections support access to the Strategy system.

- A valid contract exists with Ongoing Operations, LLC, a data recovery center that CLS-MGC designates as the Disaster Recovery Center in Hagerstown, MD, as the alternate operating facility
- CLS-MGC uses the alternate site building in Hagerstown, MD and IT resources to recover **SMART** functionality during an emergency that prevents access to the original facility
- The designated computer system at the alternate site in Hagerstown is configured to begin processing the **SMART** information

The alternate site in Hagerstown is used to continue the **SMART** recovery and processing throughout the period of disruption, until the return to normal operations.

In preparation for disruptions of the **SMART** application that are classified as minor events, CLS-MGC provides a redundant T-1 line. This prevents excess expenditures for minor events that could prevent HUD users from accessing the **SMART** system and Ongoing from the daily backups.

[6] Blue Ridge Networks, Inc. provides the network devices necessary to create a network mesh between all of the locations on the MGC network. This mesh provided by Ongoing is a Multi-Protocol Label Switching (MPLS) system.

2.3.6. Deficiencies

2.3.6.1. Check Search

The business rules and logic driving Check Searches should be restructured to more accurately and efficiently reflect the various needs and functions associated with check searching.

3.0 PROPOSED METHODS AND PROCEDURES

3.0 PROPOSED METHODS AND PROCEDURES

3.1. Summary

This document provides the baseline requirement definition to the **SMART** system at the point when MGC became the service provider to HUD. Therefore, this document does not describe proposed methods and procedures, but identifies the methods and procedures currently used with the **SMART** system.

Subsequent development projects is detailed in addenda to this baseline document.

4.0 DETAILED CHARACTERISTICS

4.0 DETAILED CHARACTERISTICS

4.1. Specific Performance Requirements

SMART:

- Is functional and fully operational during normal business hours, defined in Section 7.1 of the Contract, as between 7:00 and 19:00 Central Time
- Continues to provide convenient, user-friendly interfaces that minimizes the need for end user and administrator training
- Provides user menu options and navigation that reflect users' expectations and incorporate appropriate HUD terminology, regulations, and requirements
- Continues to provide tools to manage and control various aspects of the HUD mortgage portfolio according to user privileges
- Accommodates multiple independent users simultaneously without degradation of performance
- Allows for quick and efficient expansion and alteration a system functionality requirements change and grow
- Performs in accord with established baseline functionality
- Expands customer service support for loans serviced by MGC and ensures such calls are answered in a timely manner
- Sends mortgage releases to appropriate state or local entities no later than five business days for all loans except ACA compliance and no later than three days for ACA compliance loans from the request for release or receipt of payoff

4.1.1. Accuracy and Validity

The following validations and edits are implemented:

Validation Type	Editable Field	Edit Type
Case Data	Case Number	Numeric Edit Mask
	ADP Code	Alphanumeric Edit Mask
	Fund Code	Alphanumeric Edit Mask
Names	Borrower	Alphanumeric Edit Mask
	Co-borrower	Alphanumeric Edit Mask
Address	Address	Alphanumeric Edit Mask
	House#	Numeric Edit Mask
Pre-direction	Street Name	Alphanumeric Edit Mask
	Street Type	Alpha Numeric Edit Mask
Post-direction	City Name	Alphanumeric Edit Mast
	State Code	Drop-down menu
	Zip Code	Numeric Edit Mast

Validation Type	Editable Field	Edit Type
Dates	First Payment Date	Calendar
	Endorsement Date	Calendar
	Maturity Date	Calendar
	Date Received	Calendar
	Expiration Date	Calendar
	Closing Date	Calendar
	File Entered Date	Calendar
Totals/Amounts/Values	Mortgage Amount	Edit Mast $#,##0.00
	Appraised Value	Edit Mast $#,##0.00
	Write-Down Amounts	Edit Mast $#,##0.00
	Total Principal Balance	Edit Mast $#,##0.00
	Total Principal Balance	Edit Mast $#,##0.00
	Unpaid Principal Balance	Edit Mast $#,##0.00
Payments	Principal Paid Year-to-Date	Edit Mast $#,##0.00
	Original Principal Balance	Edit Mast $#,##0.00
	MIP	Edit Mast $#,##0.00
Contact Data	Phone Numbers	Edit Mask (###) ###-####
	Fax Numbers	Edit Mask (###) ###-####
Loan Data	Loan Type	Drop-down menu
	Lender	Drop-down menu
	Prior Servicer Name	Drop-down menu
Codes	Transaction Codes	Alphanumeric Edit Mask
	Action Codes	Drop-down menu

4.1.2. Timing

Describe the online and/or batch timing requirements to be imposed on the system. Consider the following requirements:

- Response time from receipt of input data to availability of system products
- Response time to queries and updates
- Sequential relationship of functions
- Priorities imposed by types of input and changes in modes of operation
- Any deviations from specified response times for peak load periods or contingency operations, as applicable

4.1.3. Capacity Limits

The **SMART** system is generally scalable to handle additional capacity as needed.

4.2. Functional Area System Functions

4.2.1. Loan Inquiry Module

The Loan Search window consists of two tabs, Loan Search and Notes Search. Loan records can be retrieved through various combinations of search criteria. The following is a list or search criteria options.

4.2.1.1. Search tabs

4.2.1.1.1. Loan Search tab

Figure 19. Loan Search Criteria fields

Field	Validation/Edit Type
Loan Skey	Alphanumeric Edit Mask
Loan Number	Alphanumeric Edit Mask
Loan Status	Drop-down menu
Loan Status1	Drop-down menu
FHA Case Number	Alphanumeric Edit Mask
Loan Program	Drop-down menu
Label Printed	Drop-down menu
Payment Plan	Drop-down menu
Loan Created Date	Calendar
File Received Date	Calendar
Borrower LName	Alphanumeric Edit Mask
Property State	Drop-down menu
Property Address	Alphanumeric Edit Mask
Property Zip Code	Alphanumeric Edit Mask

4.2.1.1.2. Notes Search tab

Figure 20. Notes Search Criteria fields

Field	Validation/Edit Type
Loan Skey	Alphanumeric Edit Mask
FHA Case Number	Alphanumeric Edit Mask
Loan Program	Drop-down menu
Note Type	Drop-down menu
Create User ID	Drop-down menu
Note Text	Alphanumeric Edit Mask
Notes Create Date	Calendar
High Importance	Check box
Group Name	Drop-down menu

4.2.1.2. Add Loan

New loan records can be added to **SMART** using the Loan Acquisition Wizard in the Loan Module. Users are prompted to enter General Loan Information, Filing Information, Recording Information, Borrower Information, Borrower Address and Property Detail Information.

Note: For HECM-Assigned Loan Records, data for Principal Limit Calculations, Dates, Rates and Payments, and Loan Balance information are also required.

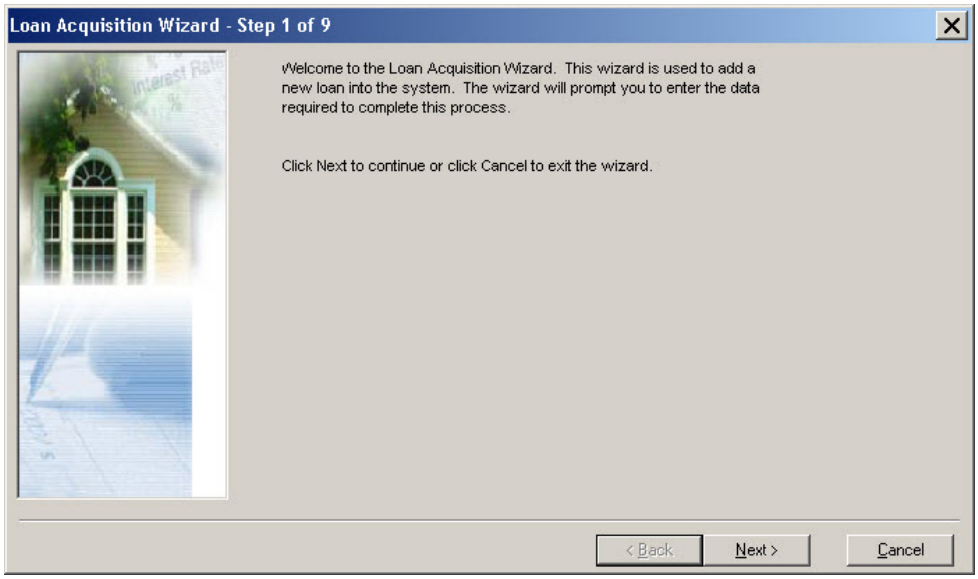

Figure 21. The Loan Wizard

4.2.1.3. Loan Inquiry

Opening a loan record from the search results navigates the user to the Loan Inquiry (Detail) window. The loan inquiry window consists of multiple tabs that provide detailed Loan information. The selection of tabs displayed is dynamic and varies depending on the Loan program of the selected loan.

The basic loan-level information is displayed for reference only in the loan header field. These data include:

- Loan Information
- Borrower & Property Information
- Additional Information

Below the basic header information are the different tabs containing the appropriate data for that category.

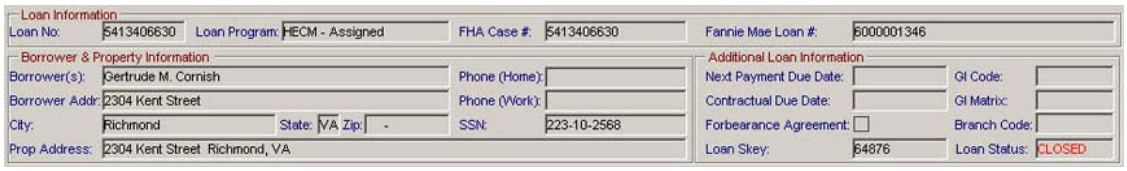

Figure 22. Loan Header data (HECM-Assigned loan)

The window contains tabs to the pertinent data in other **SMART** modules, such as foreclosure, bankruptcy and the mortgage release process. The data displayed in each tab is at the loan level or the transaction level, as required.

4.2.1.4. Edit Loan Tabs: Non HECM-Assigned Loans

4.2.1.4.1. Loan Summary tab

The Loan Summary tab provides the ability to view or edit loan summary information. The tab is not displayed for all loans depending on the Loan Program of the selected loan.

Figure 23. Loan Summary tab (non HECM-Assigned loan)

The editable fields are:

Tab	Column	Field	Validation/Edit Type
Loan Summary	**Current Balances**	Orig Principal Bal	Calculator
		Unpaid Prin. Bal	Calculator
		Tax Escrow Bal	Calculator
		Farrell2m Bal	Calculator
		Insur Damage Bal	Calculator
		Serv Fee Bal	Calculator
		Int Tax Bal	Calculator
		Susp Escrow Bal	Calculator
		Late Charge Bal	Calculator
		Curr Loan Bal	Calculator
		Credit Line Bal	Calculator
	Year to Date Amount Paid	No Payments Deling	Calculator
		Pay Type Code	Alphanumeric Edit Mask
		Pay Application Code	Alphanumeric Edit Mask
		Payment Status	Drop-down menu
		Prin Paid Ytd	Calculator
		Int Paid Ytd	Calculator
		Late Charge Paid Ytd	Calculator
		Real Est Tax Paid Ytd	Calculator
		Times Late Ytd	Calculator
		Times Late Total	Calculator
		Claim Pay Date	Calendar
		Payoff Date	Calendar
	Monthly Constants	Monthly Prin	Calculator
		Monthly Tax Escrow Amt	Calculator
		Monthly Farell2m Amt	Calculator
		Monthly Serv Fee Amt	Calculator
		Monthly Int Tax Amt	Calculator

4.2.1.4.2. Loan Detail tab

The Loan Detail tab provides the user the ability to view, edit, or add loan detail information.

Figure 24. Loan Detail tab (non HECM-Assigned loan)

The editable fields are:

Tab	Column	Field	Validation/Edit Type
Loan Detail		Loan #	Alphanumeric Edit Mask
		FHA Case #	Alphanumeric Edit Mask
		Next Payment Dt	Calendar
		Disbursement Dt	Calendar
		Contractual Due Dt	Calendar
	General Information	Principal Amt	Numeric Edit Mask
		Purchase Price	Numeric Edit Mask
		Forbearance Agmt	Check box
		Branch Code	Numeric Edit Mask (##)
		GI Matrix	Alphanumeric Edit Mask
		GI Code	Numeric Edit Mask (#)
		Print Statements	Check box
	Loan Status & Type	Loan Type	Drop-down menu
		FHA # 1st Mtg	Alphanumeric Edit Mask
		Loan Purpose Code	Alphanumeric Edit Mask
		Contract Type Code	Alphanumeric Edit Mask
		Program Type	Alphanumeric Edit Mask
		Loan Status	Drop-down menu
		Loan Status 1	Drop-down menu
		Loan Status 2	Alphanumeric Edit Mask (##)

Tab	Column	Field	Validation/Edit Type
		Class Cd	Alphanumeric Edit Mask (##)
		Loan Term (yymm)	Numeric Edit Mask (####)
		Officer Code	Alphanumeric Edit Mask
		Last CO Response	Calendar
Additional Loan Information	**Additional Loan Information**	Signed Date	Calendar
		Funded Date	Calendar
		MIC Date	Calendar
		Assmt Accepted	Alphanumeric Edit Mask
		Assmt Recorded	Alphanumeric Edit Mask
		Title Approval	Alphanumeric Edit Mask
		At Contractor On	Alphanumeric Edit Mask
		ARM Change Date	Calendar
		Orig Loan Date	Calendar
		Status Date	Calendar
		Maturity Date	Calendar
		Section of the Act	Alphanumeric Edit Mask
		Occ Cert Sent	Alphanumeric Edit Mask
		Due Date Delinq Nc	Calendar
		Vacancy Date	Calendar
		Hold Code 1	Alphanumeric Edit Mask
		Hold Code 2	Alphanumeric Edit Mask
		Hold Code 3	Alphanumeric Edit Mask
		Accrual Method	Alphanumeric Edit Mask
		Assess Late Charge	Alphanumeric Edit Mask
		Collect Tax Escrow	Radio buttons Yes No
		Custodial	Alphanumeric Edit Mask
		Vacancy Status	Alphanumeric Edit Mask

4.2.1.4.3. Loan Filing tab

The Filing tab provides the ability to view or edit Loan Filing information.

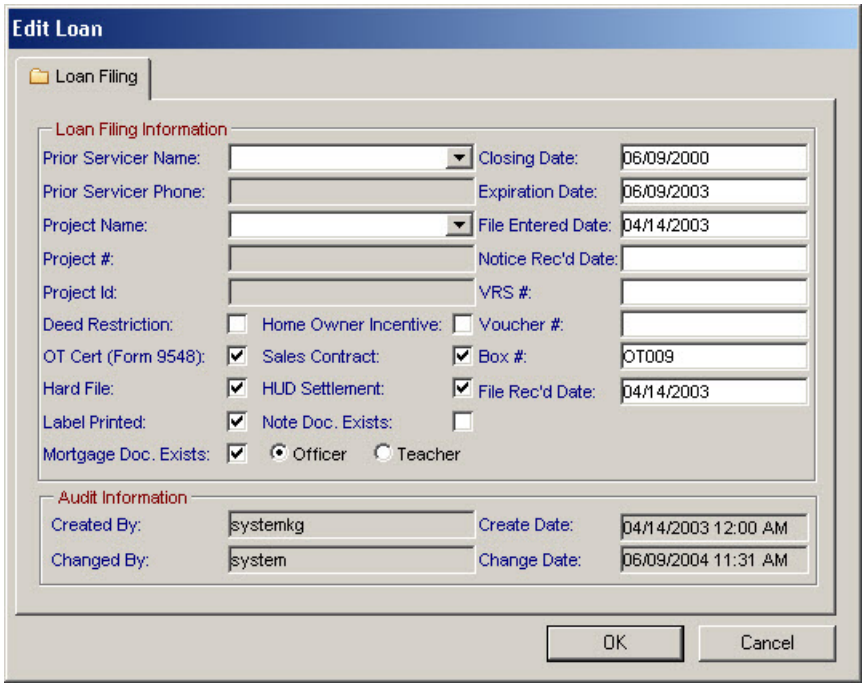

Figure 25. Edit Loan Filing window (Non HECM-Assigned loan)

The following fields are editable:

Tab	Column	Field	Validation/Edit Type
Loan Filing	**Loan Filing Information**	Prior Servicer Name	Drop-down menu
		Project Name	Drop-down menu
		Deed Restriction	Check box
		Home Owner Incentive	Check box
		OT Cert (Form 9548)	Check box
		Sales Contract	Check box
		Hard File	Check box
		HUD Settlement	Check box
		Label Printed	Check box
		Note Doc. Exists	Check box
		Mortgage Doc. Exists	Check box
		Officer	Radio button
		Teacher	Radio button
		Closing Date	Calendar
		Expiration Date	Calendar
		File Entered Date	Calendar
		Notice Rec'd Date	Calendar

Tab	Column	Field	Validation/Edit Type
		VRS #	Alphanumeric Edit Mask
		Voucher #	Alphanumeric Edit Mask
		Box #	Alphanumeric Edit Mask
		File Rec'd Date	Calendar

4.2.1.4.4. Loan Recording tab

The Loan Recording tab provides the user with the Loan Recording information.

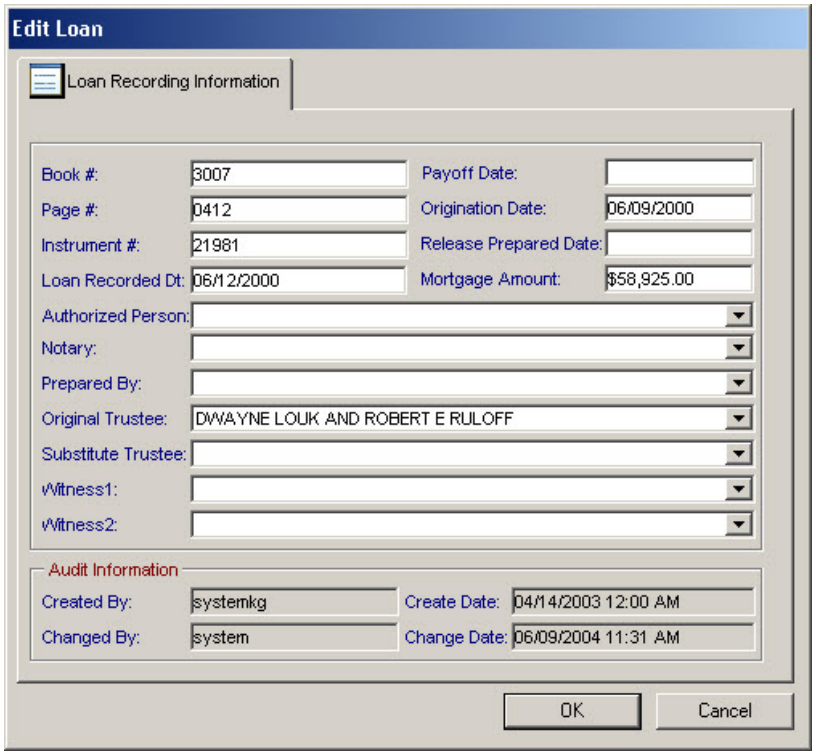

Figure 26. Edit Loan Recording data (Non HECM-Assigned loan)

This editable fields are:

Tab	Field	Validation/Edit Type
Loan Recording Information	Book #	Alphanumeric Edit Mask
	Page #	Alphanumeric Edit Mask
	Instrument #	Alphanumeric Edit Mask
	Loan Recorded Dt	Calendar
	Payoff Date	Calendar
	Origination Date	Calendar
	Release Prepared Date	Calendar
	Mortgage Amount	Calculator
	Authorized Person	Drop-down menu

Notary	Drop-down menu
Prepared By	Drop-down menu
Original Trustee	Drop-down menu
Substitute Trustee	Drop-down menu
Witness1	Drop-down menu
Witness2	Drop-down menu

4.2.1.4.5. Servicing tab

The Servicing tab provides a view of predefined servicing activities for a loan record in accordance with the loan's specific loan program requirements. It provides the user with a list of required steps in a timeline format so the user can track the progress of the servicing activity. Servicing activities include

- Calculation Worksheet 235 Insured
- Payoff Request
  - Request for Files
  - Subordination

4.2.1.4.6. Borrowers tab

The Borrowers tab provides the ability to view or edit existing loan borrower information.

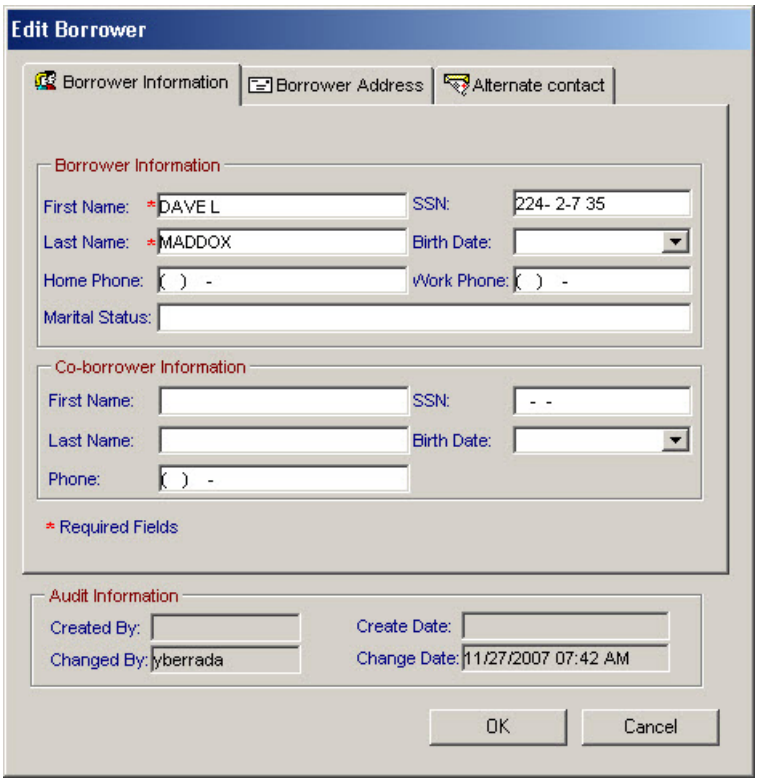

Figure 27. Edit Borrower data window

The fields that can be edited are:

Window	Tab	Field	Validation/Edit Type
Borrower Information	Borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Home Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
		Work Phone	Numeric Edit Mask
		Marital Status	Alphanumeric Edit Mask
	Co-borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
Borrower Address	Borrower Address:	Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		County	Alphanumeric Edit Mask
	Mailing Address:	Mail to Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		Address3	Alphanumeric Edit Mask
Alternate Contact	Alternate Contact Info	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		Home Phone	Edit Mask (###) ###-####
		Work Phone	Edit Mask (###) ###-####
		Other Information	Text Area

There must be at least one borrower record per loan in the system.

4.2.1.4.7. Property Inspection tab

The Property Inspection tab provides the capability to view, add, edit and delete property information. The tab allows the capability of importing a picture associated with a property into the database. Multiple pictures

may be attached to each loan. The ability to print a property inspection report in a report format is available but does not include any pictures. The ability to add and delete is allowed.

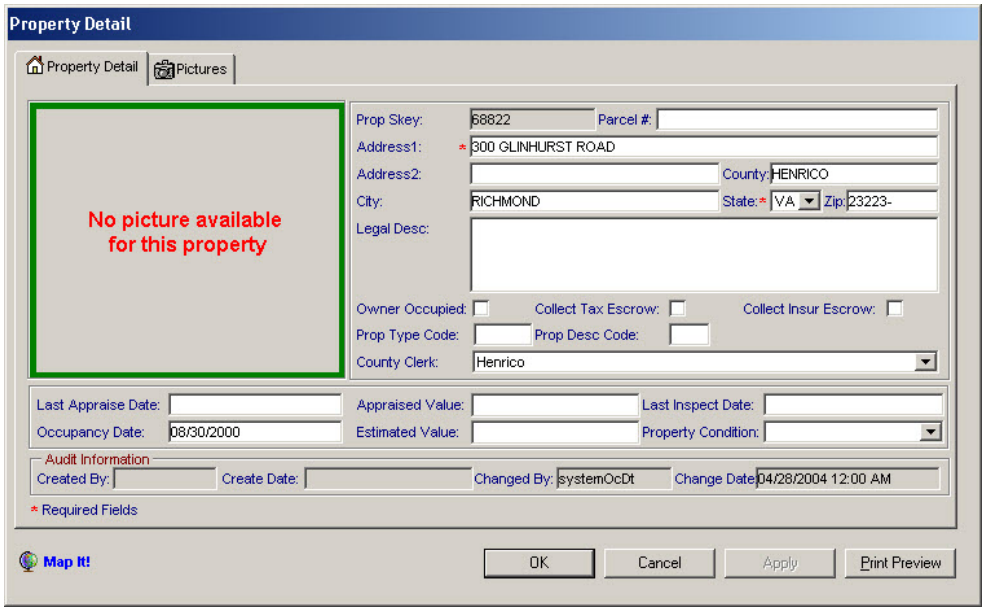

Figure 28. Edit Property Details window

The editable fields are:

Tab	Field	Validation/Edit Type
Property Detail	Parcel#	Numeric Edit Mask
	Address1	Alphanumeric Edit Mask
	Address2	Alphanumeric Edit Mask
	County	Alphanumeric Edit Mask
	City	Alphanumeric Edit Mask
	State	Drop-down menu
	Zip	Numeric Edit Mask (######-####)
	Owner Occupied	Check box
	Collect Tax Escrow	Check box
	Collect Insur Escrow	Check box
	Prop Type Code	Alphanumeric Edit Mask (1 digit)
	Prop Desc Code	Alphanumeric Edit Mask (2 digits)
	County Clerk	Drop-down menu
	Last Appraisal Date	Calendar
	Appraised Value	Numeric Edit Mask
	Last Inspect Date	Calendar
	Occupancy Date	Calendar
	Estimated Value	Numeric Edit Mask
	Property Condition	Drop-down menu

Tab	Field	Validation/Edit Type
Pictures		Http upload

4.2.1.4.8. Transactions Tab

The Transactions tab only displays information that cannot be changed within the Transactions tab. The displayed information is associated with batch transactions for the loan. As activity occurs in that module, those data are displayed as read-only in this tab. There is no current functionality required for this tab other than viewing and printing.

4.2.1.4.9. Documents Tab

The Documents tab provides the capability to attach and detach scanned loan documents. Scanned loan documents should be scanned as TIF file formats. The system allows an unlimited number of scanned documents to be attached to each loan limited only to available hard-drive space and acceptable system performance.

4.2.1.4.10. Notes Tab

The Notes tab provides the capability to view and print loan notes. An unlimited number of notes can be associated with each loan however; a single note text is limited to 1000 characters. The user typically uses loan notes to track conversations related to loan investigations and outstanding issues. There are different note types available to help categorize notes for ease of lookup. The defined property note types are:

- Conversation Note
- Bankruptcy
- Exception Note
- Foreclosure Activities
- Lien Release Activity
- Pay Plan Note

Figure 29. Note tab

Note: The list includes entries labeled "Auto Note." These are explained below.

4.2.1.4.10.1. Auto Note. **SMART** captures specified transactional data as an Auto Note based on pre-configured triggers. For example, a servicing letter or payoff for a GNND loan will create Auto Notes. These notes appear in the Notes tab for the affected module. It is important to know that Auto Notes contain operational, not either anecdotal or supplemental, data concerning a loan and the activities related to that loan. Auto Notes are most often used to track loan release activities.

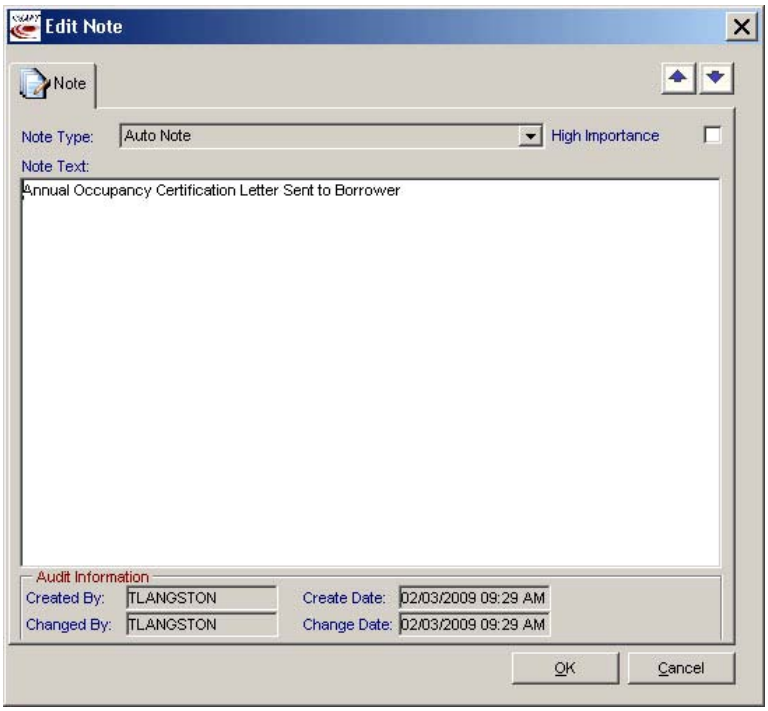

Figure 30. Auto Note—Edit Note dialog

4.2.1.4.11. Mortgage Release Tab

The Mortgage Release tab only displays information that cannot be changed within the Mortgage Release Activity tab. The displayed information is associated with the Lien Activity module for the property. As activity occurs in that module, those data are displayed as view only in the Mortgage Release Activity tab. There is no current functionality required for this tab other than viewing.

4.2.1.4.12. Exceptions Tab

The Exception tab provides the capability to view, add and edit loan exceptions on a loan. Loan Exceptions are used to identify unique conditions of a loan. The user is permitted to add new exceptions, update the exception date and exception note information and change the exception status from Active to Inactive. The user is not allowed to delete existing exceptions.

4.2.1.4.13. Servicing tab

The Servicing tab provides a view of predefined servicing activities for a loan record in accordance with the loan's specific loan program requirements. It provides the user with a list of required steps in a timeline format so the user can track the progress of the servicing activity. Servicing activities include

- Calculation Worksheet 235 Insured

- Payoff Request
  - Request for Files
  - Subordination

4.2.1.4.14. Foreclosure Tab

The Foreclosure tab only displays information that cannot be changed within the loan detail window. The displayed information is associated with the Foreclosure module for the property. As activity occurs in Foreclosure module, those data are displayed as read-only in this tab. There is no current functionality required for this tab other than viewing.

4.2.1.4.15. Bankruptcy Tab

The Bankruptcy tab only displays information that cannot be changed within the Bankruptcy tab. The displayed information is associated with the Bankruptcy module. As activity occurs in that module, those data displayed as read-only in the Bankruptcy tab. There is no current functionality required for this tab other than viewing.

4.2.1.5. Edit Loan Tabs: HECM-Assigned Loans

4.2.1.5.1. Loan Detail tab

The Loan Detail tab for HECM-Assigned loans provides the user the capability to view, edit, or add loan detail information.

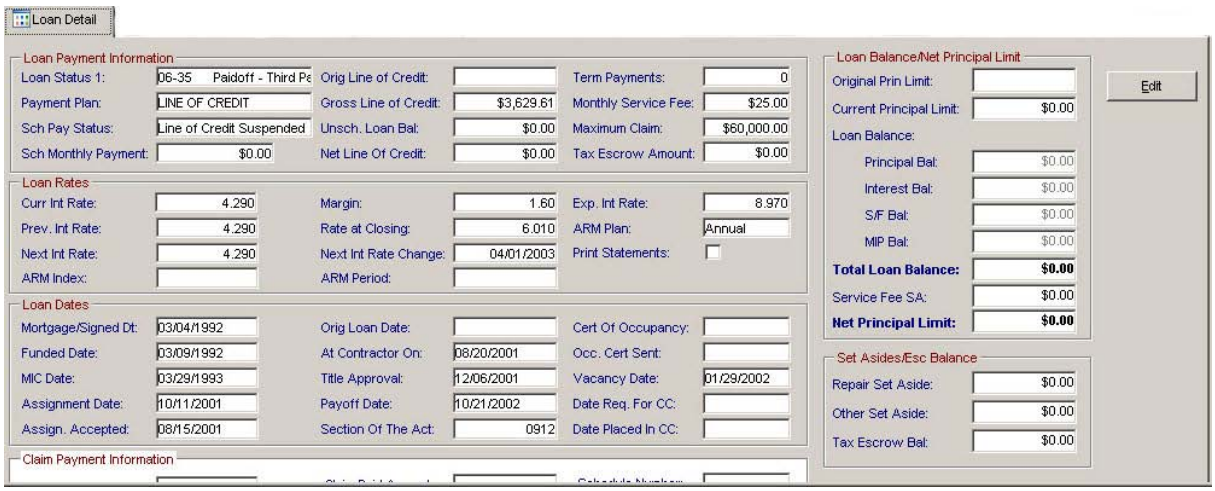

Figure 31. Loan Detail tab (HECM-Assigned loan)

The following fields can be edited:

Tab	Column	Field	Validation/Edit Type
Loan Payment Info	**Loan Payment Information**	Loan Status 1	Drop-down menu
		Net Line of Credit	Numeric Edit Mask
		Payment Plan	Drop-down menu
		Term Payments	Numeric Edit Mask

Tab	Column	Field	Validation/Edit Type
		Sch Pay Status	Drop-down menu
		Monthly Service Fee	Numeric Edit Mask
		Sch Monthly Payment	Numeric Edit Mask
		Maximum Claim	Numeric Edit Mask
		Orig Line of Credit	Numeric Edit Mask
		Fannie Mae #	Numeric Edit Mask
		Gross Line of Credit	Numeric Edit Mask
		Tax Escrow Amount	Numeric Edit Mask
		Unsch. Loan Bal	Numeric Edit Mask
		Current Principal Limit	Numeric Edit Mask
	Additional Information	Loan No.	Numeric Edit Mask
		Forbearance Agreement	Check box
		FHA Case#	Numeric Edit Mask
		Contractual Due Date	Calendar
		GI Code	Numeric Edit Mask
		Loan Status	Drop-down menu
		GI Matrix	Numeric Edit Mask
		Branch Code	Numeric Edit Mask
Loan Rates	**Loan Rates**	Curr Int Rate	Numeric Edit Mask
		Rate at Closing	Numeric Edit Mask
		Prev. Int Rate	Numeric Edit Mask
		Next Int Rate Change	Calendar
		Next Int Rate	Numeric Edit Mask
		Exp. Int Rate	Numeric Edit Mask
		Margin	Numeric Edit Mask
		ARM Plan	Drop-down menu
		ARM Index	Drop-down menu
		ARM Period	Drop-down menu
Loan Dates	**Loan Dates**	Mortgage/Signed Dt	Calendar
		Funded Date	Calendar
		Section of the Act	Alphanumeric Edit Mask
		MIC Date	Calendar
		Claim Paid Amount	Numeric Edit Mask
		Date Req. For CC	Calendar
		Orig Loan Date	Calendar
		Date Placed in CC	Calendar
		At Contractor On	Calendar
		Print Statements	Check box

4.2.1.5.2. Loan Filing tab

The Filing tab provides the ability to view or edit Loan Filing information.

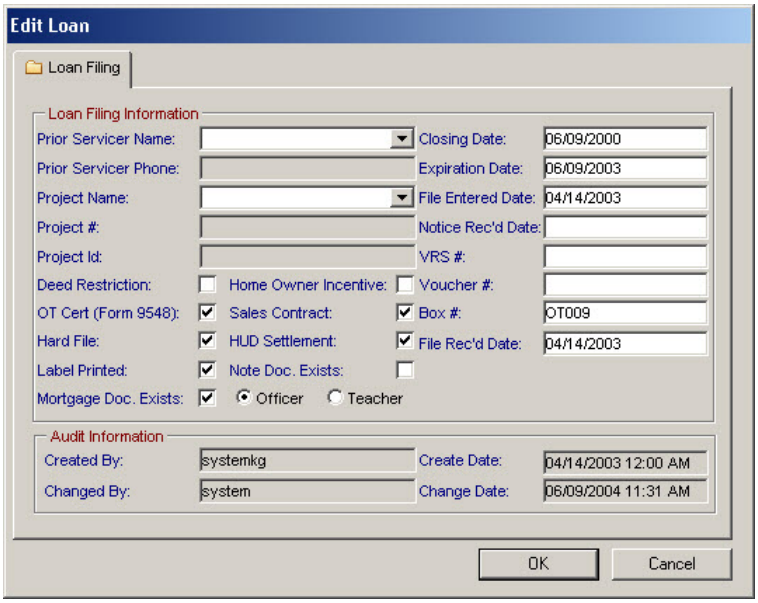

Figure 32. Edit Loan Filing data window

The following fields are editable:

Tab	Column	Field	Validation/Edit Type
Loan Filing	**Loan Filing Information**	Prior Servicer Name	Drop-down menu
		Project Name	Drop-down menu
		Deed Restriction	Check box
		Home Owner Incentive	Check box
		OT Cert (Form 9548)	Check box
		Sales Contract	Check box
		Hard File	Check box
		HUD Settlement	Check box
		Label Printed	Check box
		Note Doc. Exists	Check box
		Mortgage Doc. Exists	Check box
		Officer	Radio button
		Teacher	Radio button
		Closing Date	Calendar
		Expiration Date	Calendar
		File Entered Date	Calendar
		Notice Rec'd Date	Calendar
		VRS #	Alphanumeric Edit Mask
		Voucher #	Alphanumeric Edit Mask

Tab	Column	Field	Validation/Edit Type
		Box #	Alphanumeric Edit Mask
		File Rec'd Date	Calendar

4.2.1.5.3. Loan Recording tab

The Loan Recording tab provides the user with the Loan Recording information.

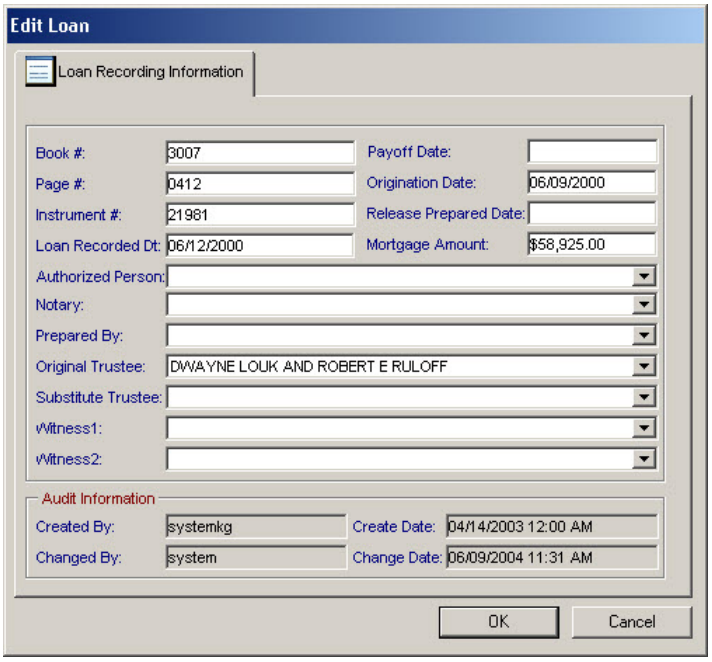

Figure 33. Edit Loan Recording data window

The editable fields include:

Tab	Field	Validation/Edit Type
Loan Recording Information	Book #	Alphanumeric Edit Mask
	Page #	Alphanumeric Edit Mask
	Instrument #	Alphanumeric Edit Mask
	Loan Recorded Dt	Calendar
	Payoff Date	Calendar
	Origination Date	Calendar
	Release Prepared Date	Calendar
	Mortgage Amount	Calculator
	Authorized Person	Drop-down menu
	Notary	Drop-down menu
	Prepared By	Drop-down menu
	Original Trustee	Drop-down menu
	Substitute Trustee	Drop-down menu

Tab	Field	Validation/Edit Type
	Witness1	Drop-down menu
	Witness2	Drop-down menu

4.2.1.5.4. Borrowers tab

The Borrowers tab provides the ability to view or edit existing loan borrower information.

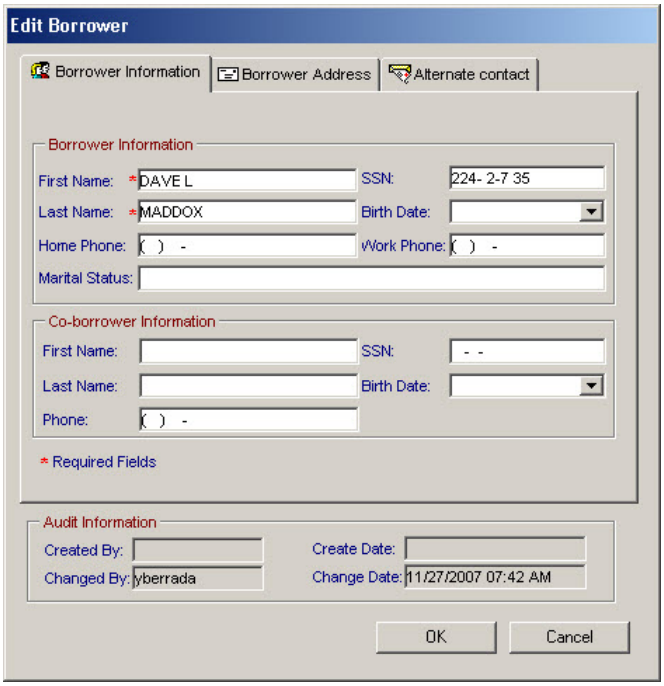

Figure 34. Edit Borrow data window

The fields that can be edited are:

Window	Tab	Field	Validation/Edit Type
Borrower Information	Borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Home Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
		Work Phone	Numeric Edit Mask
		Marital Status	Alphanumeric Edit Mask
	Co-borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
Borrower Address	Borrower Address:	Address1	Alphanumeric Edit Mask

Window	Tab	Field	Validation/Edit Type
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		County	Alphanumeric Edit Mask
		Mail to Name	Alphanumeric Edit Mask
	Mailing Address:	Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		Address3	Alphanumeric Edit Mask
Alternate Contact	Alternate Contact Info	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		Home Phone	Edit Mask (###) ###-####
		Work Phone	Edit Mask (###) ###-####
		Other Information	Text Area

4.2.1.5.5. Property Inspection tab

The Property Inspection tab provides the capability to view, add, edit and delete property information. The tab allows the capability of importing a picture associated with a property into the database. Multiple pictures may be attached to each loan. The ability to print a property inspection report in a report format is available but does not include any pictures. The ability to add and delete is allowed.

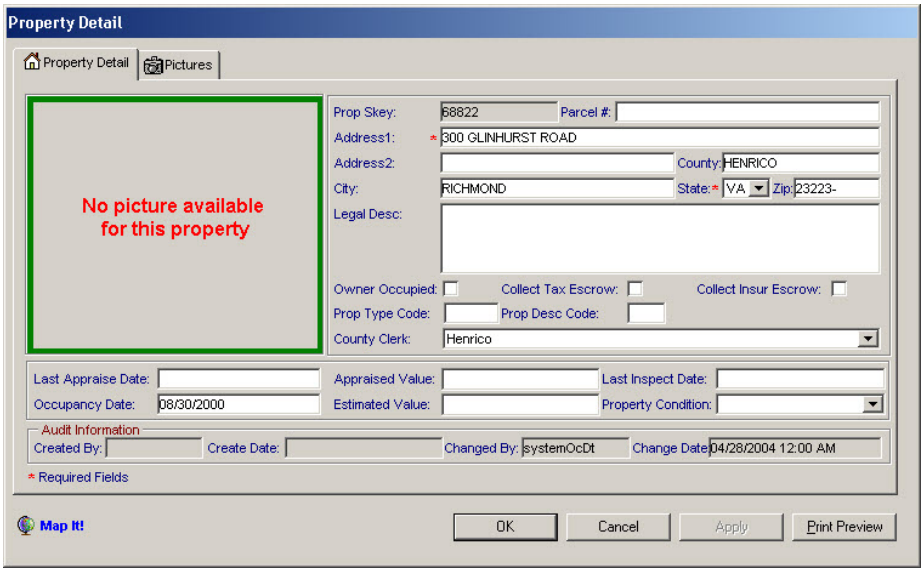

Figure 35. Edit Property Details window

The editable fields are:

Tab	Field	Validation/Edit Type
Property Detail	Parcel#	Numeric Edit Mask
	Address1	Alphanumeric Edit Mask
	Address2	Alphanumeric Edit Mask
	County	Alphanumeric Edit Mask
	City	Alphanumeric Edit Mask
	State	Drop-down menu
	Zip	Numeric Edit Mask (######-####)
	Owner Occupied	Check box
	Collect Tax Escrow	Check box
	Collect Insur Escrow	Check box
	Prop Type Code	Alphanumeric Edit Mask (1 digit)
	Prop Desc Code	Alphanumeric Edit Mask (2 digits)
	County Clerk	Drop-down menu
	Last Appraisal Date	Calendar
	Appraised Value	Numeric Edit Mask
	Last Inspect Date	Calendar
	Occupancy Date	Calendar
	Estimated Value	Numeric Edit Mask
	Property Condition	Drop-down menu
Pictures		Http upload

4.2.1.5.6. Documents tab

The Documents tab provides the capability to attach and detach scanned loan documents. Scanned loan documents should be scanned as TIF file formats. The system allows an unlimited number of scanned documents to be attached to each loan limited only to available hard-drive space and acceptable system performance.

4.2.1.5.7. Loan Bal. Trans tab

The Loan Bal. Trans tab displays the chronological order of loan balance transactions. This tab can be printed as a report and includes the following fields:

- Effective Date
- Trans Code
- Action Code
- Trans Description
- Principal Amount
- Interest Amt
- Service Fee
- MIP Trans Amt
- Total Trans Amt
- Create Date and Created By

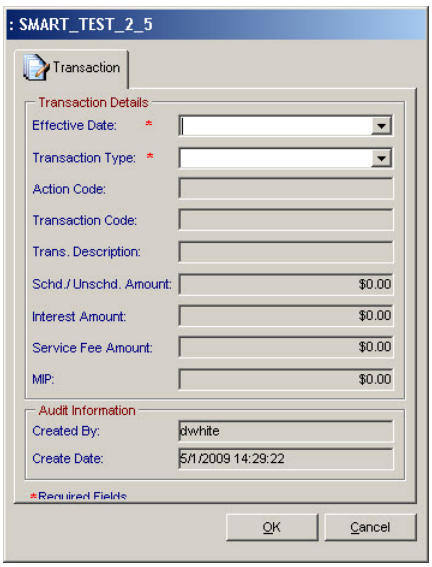

Figure 36. Add Loan Balance Transaction data window

The editable fields are:

Tab	Column	field	Validation/Edit Type
Transaction	**Transaction**	Effective Date	Calendar
		Transaction Type	Drop-down menu

Tab	Column	field	Validation/Edit Type
		Action Code	Auto-fill (dependent upon Transaction Type)
		Transaction Code	Auto-fill (dependent upon Transaction Type)
		Transaction Description	Auto-fill (dependent upon Transaction Type)
		Sched./Unsched. Amount	Numeric Edit Mask
		Interest Amount	Numeric Edit Mask
		Service Fee Amount	Numeric Edit Mask
		MIP	Numeric Edit Mask

4.2.1.5.8. Notes tab

The Notes tab provides the capability to view and print loan notes. An unlimited number of notes can be associated with each loan however; a single note text is limited to 1000 characters. The user typically uses loan notes to track conversations related to loan investigations and outstanding issues. There are different note types available to help categorize notes for ease of lookup. The defined property note types are:

- Conversation Note
- Bankruptcy
- Exception Note
- Foreclosure Activities
- Lien Release Activity
- Pay Plan Note

Figure 37. Notes tab

Note: The list includes entries labeled "Auto Note." These are explained below.

4.2.1.5.8.1. Auto Note. **SMART** captures specified transactional data as an Auto Note based on pre-configured triggers. For example, a servicing letter or payoff for a GNND loan will create Auto Notes. These notes appear in the Notes tab for the affected module. It is important to know that Auto Notes contain operational, not either anecdotal or supplemental, data concerning a

loan and the activities related to that loan. Auto Notes are most often used to track loan release activities.

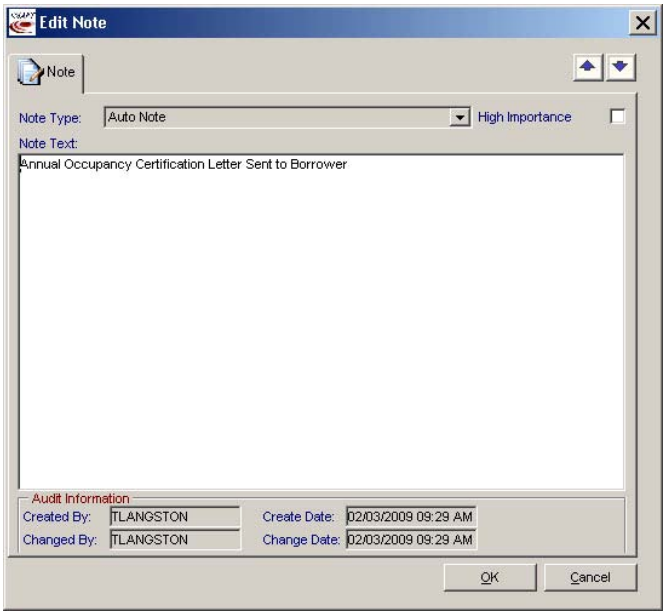

Figure 38. Auto Note—Edit Note dialog

4.2.1.5.9. Mortgage Release tab

The Mortgage Release Activity tab only displays information that cannot be changed within the Mortgage Release Activity tab. The displayed information is associated with the Lien Activity module for the property. As activity occurs in that module, those data are displayed as view only in the Mortgage Release Activity tab. There is no current functionality required for this tab other than viewing.

4.2.1.5.10. Exceptions tab

The Exception tab provides the capability to view, add and edit loan exceptions on a loan. Loan Exceptions are used to identify unique conditions of a loan. The user is permitted to add new exceptions, update the exception date and exception note information and change the exception status from Active to Inactive. The user is not allowed to delete existing exceptions.

4.2.1.5.11. Servicing tab

The Bankruptcy tab only displays information that cannot be changed within the Bankruptcy tab. The displayed information is associated with the Bankruptcy module. As activity occurs in that module, those data displayed as read-only in the Bankruptcy tab. There is no current functionality required for this tab other than viewing.

4.2.1.5.12. Foreclosure tab

The Foreclosure tab only displays information that cannot be changed within the loan detail window. The displayed information is associated with the Foreclosure module for the property. As activity occurs in Foreclosure module, those data are displayed as read-only in this tab. There is no current functionality required for this tab other than viewing.

4.2.1.5.13. Bankruptcy tab

The Bankruptcy tab only displays information that cannot be changed within the Bankruptcy tab. The displayed information is associated with the Bankruptcy module. As activity occurs in that module, those data displayed as read-only in the Bankruptcy tab. There is no current functionality required for this tab other than viewing.

4.2.1.5.14. Disbursements tab

The disbursements tab displays a chronological listing of all disbursements related to the selected loan. Disbursements can be viewed, edited and new ones created.

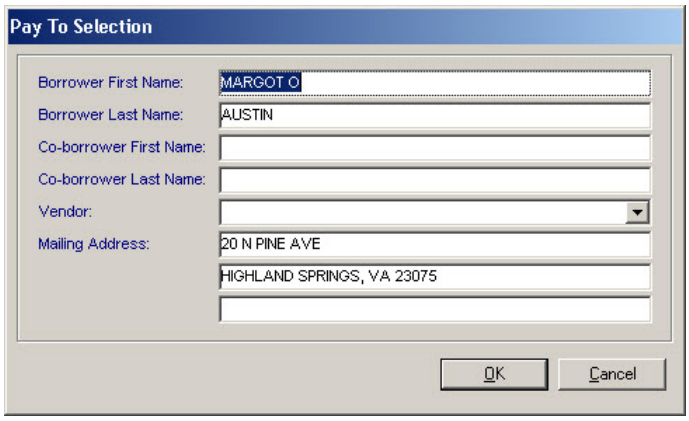

Figure 39. Add Loan Disbursement data window

The following fields are editable:

Tab	Column	Field	Validation/Edit Type
Pay to Selection		Borrower First Name	Alphanumeric Edit Mask
		Borrower Last Name	Alphanumeric Edit Mask
		Co-borrower First Name	Alphanumeric Edit Mask
		Co-borrower Last Name	Alphanumeric Edit Mask
		Vendor	Drop-down menu
	Mailing Address	(Recipient)	Alphanumeric Edit Mask
		(Recipient Street Address)	Alphanumeric Edit Mask
		(Recipient City, State, Zip)	Alphanumeric Edit Mask

4.2.1.5.15. Property Taxes tab

The Property Taxes tab displays read-only data concerning property taxes information that changes only when activity occurs in the Servicing module. The data displayed are:

- Delinquency Year
- Tax Authority Number
- Tax Authority Name
- Delinquency Status
- Tax Id Number

- Order Number
- Service Type
- Borrower Name
- Property Address
- Property City
- State Code
- Zip Code
- Search Date
- Post Date
- Tax Year
- Tax Bill Number
- First Installment
- Second Installment
- Third Installment
- Fourth Installment
- Total Installment
- Lien Note Code

There is no current functionality required for this tab other than viewing.

4.2.1.5.16. ACH Information tab

The ACH Information tab provides the ability to view existing ACH Bank information.

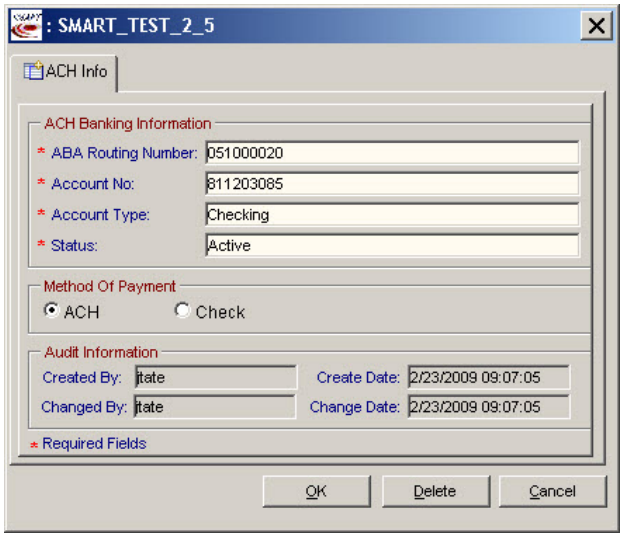

Figure 40. Edit ACH Bank data window

The editable fields are:

Tab	Column	Field	Validation/Edit Type
ACH Info	**ACH Banking**	ABA Routing Number	Numeric Edit Mask

Tab	Column	Field	Validation/Edit Type
	Information	Account Number	Numeric Edit Mask
		Account Type	Drop-down menu
		Status	Drop-down menu
	Method of Payment	ACH	Radio button (single-select)
		Check	Radio button (single-select)

4.2.1.5.17. Payoff tab

The Payoff tab lists all payoff data pertaining to the selected loan in chronological order. From this tab:

- The Payoff Date can be set
- A payoff letter can be generated and printed
- A Payoff worksheet can be generated and printed

4.2.1.5.18. Monthly Statements tab

The Monthly Statements tab displays a chronological read-only listing of the monthly statements fields, including:

- Reporting Period
- Loan Skey
- Loan Number
- Mailing Address Name
- Mailing Address 1
- Mailing Address 2
- Mailing Address 3
- Loan Type
- Interest Rate(%)
- Prev. Int. Rate(%)
- Credit Line Growth(%)
- Payment Option
- Program Type
- Payments Remaining
- Funded Date
- Unpaid Principal Balance
- Misc Charges
- Cash Draws
- Scheduled Monthly Payment
- MIP Paid

- Monthly Service Fee
- Current Loan Balance
- Service Fee Set Aside
- Repair Set Aside
- Current Principal Limit
- Credit Line Balance
- Interest Charged
- Prepays
- ARM Change Date
- Month End date
- Created By
- Create Date
- Changed By
- Changed Date

4.2.1.5.19. Set Aside/Esc Trans tab (HECM-Assigned)

Set Aside/Esc Trans tab displays the chronological order of ESC and Set-Aside transactions. The data in this tab can be printed as a report.

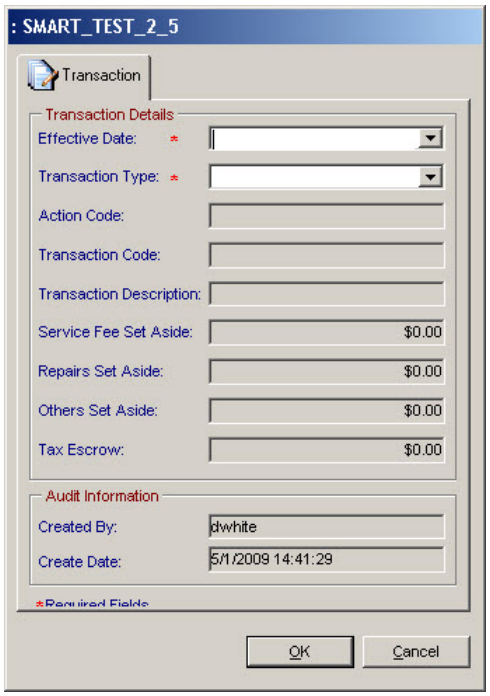

Figure 41. Add Set-Aside Transaction data window

These fields are editable when a new transaction is added:

Tab	Column	field	Validation/Edit Type
Set Aside/	**Transaction**	Effective Date	Calendar

Tab	Column	field	Validation/Edit Type
Transaction		Transaction Type	Drop-down menu
		Action Code	Auto-fill (dependent upon Transaction Type)
		Transaction Code	Auto-fill (dependent upon Transaction Type)
		Transaction Description	Auto-fill (dependent upon Transaction Type)
		Service Fee Set Aside	Numeric Edit Mask
		Repairs Set Aside	Numeric Edit Mask
		Others Set Aside	Numeric Edit Mask
		Tax Escrow	Numeric Edit Mask

4.2.2. Bankruptcy Module

The Bankruptcy module is used to track and manage bankruptcies related to loan borrowers. The system allows the user to add new bankruptcies and manage the appropriate Bankruptcy Chapter tasks and completion dates. The entry into the loan Bankruptcy module is first through the frame toolbar button labeled "Bankruptcy." A generic search window is first displayed to assist the user in identifying and searching for an existing loan in the release process.

4.2.2.1.1. Bankruptcy Search Window

4.2.2.1.1.1. The system provides functionality allowing authorized users to search for a loan in Bankruptcy by several different criteria. The Bankruptcy search criteria includes search by state, investor name (such as HUD), loan program name (such as 235, OND, etc.), loan#, bankruptcy task and property street address.

4.2.2.1.1.2. The Bankruptcy Search Window provides the functionality to add new loans into the Bankruptcy process.

4.2.2.1.2. Bankruptcy Add

4.2.2.1.2.1. New bankruptcy records are added to **SMART** using the Bankruptcy Wizard in the Bankruptcy Module. The user is prompted to enter:

- Loan Skey
- Bankruptcy chapter
- Bankruptcy filed date
- Optional information:
  - Account manger
  - Attorney
  - Case number

4.2.2.1.3. Bankruptcy Detail Window

4.2.2.1.3.1. Once the Bankruptcy detail window is opened, the tasks and steps required for the designated Bankruptcy Chapter are displayed. The system provides the ability to add completion dates as each Bankruptcy task is completed.

4.2.2.1.3.2. At the top of the Bankruptcy detail window (header information), the basic loan level information is displayed for reference. The data displayed consists of the following types of information: borrower name, loan number and loan program type.

4.2.3. Foreclosure Module

The Foreclosure module is used to track and manage foreclosures. The system allows the user to add new foreclosures and manage the appropriate foreclosure tasks associated with the state in which the foreclosure occurs. The system allows for different foreclosure steps per state. The system also allows the user to change the scheduled task completion date and enter completion dates as each foreclosure step is completed. Entry into the Foreclosure module is through the frame toolbar button labeled "Foreclosure." A generic search window is available to assist the user in identifying and searching for an existing loan in the release process.

4.2.3.1. Foreclosure Search window

The system allows authorized users to search for a loan in foreclosure by several different criteria. The Foreclosure Search criteria includes search by:

- State
- Investor name (such as HUD)
- Loan program name (such as 235, OND, etc.)
- Loan#
- Foreclosure task
- Property street address

In addition, the Foreclosure Search window provides the functionality to add new loans/properties into the Foreclosure process.

4.2.3.2. Foreclosure Detail window

Once the Foreclosure Detail window is opened, the tasks and steps required for the specific state's foreclosure process is displayed. The system provides the ability to add completion dates as each foreclosure task is completed.

At the top of the Foreclosure Detail window (header information), the basic loan level information is displayed for reference. The data displayed consists of the following type of information: borrower name, loan number, and loan program type. Below the basic header information are the release steps management tab. The following Foreclosure steps are generated once a loan is placed into foreclosure:

4.2.3.3. Foreclosure Mgmt window

4.2.3.3.1. Borrowers tab

The Borrowers tab provides the ability to view or edit existing borrower information. The fields that can be edited are:

Window	Tab	Field	Validation/Edit Type
Borrower Information	Borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Home Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
		Work Phone	Numeric Edit Mask
		Marital Status	Alphanumeric Edit Mask
	Co-borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
	Borrower Address:	Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		County	Alphanumeric Edit Mask
Mailing Address	Mailing Address:	Mail to Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		Address3	Alphanumeric Edit Mask
Alternate Contact	Alternate Contact Info	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		Home Phone	Edit Mask (###) ###-####
		Work Phone	Edit Mask (###) ###-####
		Other Information	Text Area

4.2.3.3.2. Property Inspection tab

The Property Inspection tab provides the capability to view, add, edit and delete property information. The tab allows the capability of importing a picture associated with a property into the database. Multiple pictures may be attached to each loan. The ability to print the details of a property inspection in a report format is available but does not include any pictures. The ability to add and delete is allowed.

4.2.3.3.3. Documents tab

The Documents tab provides the capability to attach and detach scanned loan documents. Scanned loan documents should be scanned as TIF file formats. The system allows an unlimited number of scanned documents to be attached to each loan limited only to available hard-drive space and acceptable system performance.

4.2.3.3.4. Notes tab

The Notes tab provides the capability to view and print foreclosure notes. An unlimited number of notes can be associated with each loan however; a single note text is limited to 1000 characters. The user typically uses loan notes to track conversations related to foreclosure investigations and outstanding issues. There are different note types available to help categorize notes for ease of lookup.

4.2.4. Mortgage Release Module

The **SMART** loan release module is be used to track release tasks, print "Deed of Trust" forms, mortgage release forms and other miscellaneous release related forms. The entry into the loan release module is first through the frame toolbar button labeled "Mtg. Release". A generic search window is provided to assist the user in identifying and searching for existing loans in the release process.

4.2.4.1. Mtg. Release Search window

The system allows authorized users to search for a loan in the release process by several different criteria. The loan release search criteria includes search by:

- State
- Investor Name (such as HUD)
- Loan Program name (such as 235, OND, etc.)
- Loan#
- Property street address.

The Mortgage Release Search window also provides the functionality to add new loans into the release process.

Loans that become fully paid require the creation of release tasks to track and generate forms. Newly redeemed loans need to be added to the release process for tracking.

Release Check information entered into the Mortgage Release Forms Wizard can be reported and printed in the approved check format by the users with appropriate security access.

The status of a release check can be updated, if necessary, to:

- Voided
- Cleared
- Reimbursable

The system automatically updates the Print Status of a check when the check has been successfully printed.

4.2.4.2. Mtg. Release Detail window

Once the loan release detail window is opened, the tasks and steps required for a mortgage release is displayed. The system provides the ability to change the status and complete dates associated with each release step.

At the top of the Mtg. Release Detail window (header information), the basic loan level information is displayed for reference. The data displayed consists of these information types:

- Borrower name
- Loan number
- Loan program type

4.2.4.2.1. Release Activity tab

The Release Activity tab tracks the following steps:

- Release Request Received/Initiated
- File requested from document custodian
- File received from document custodian
- Lien release package/check requested
- Lien release package signed by authorized signatory
- Lien release package mailed for recording
- Recorded release received from county
- Copy to Imaging Image
- File to storage/process complete

This tab allows authorized users the ability to modify an existing Step and to add a new Step in the Mortgage Release process.

4.2.4.2.1.1. Modify Existing Release Step—Authorized users are able only to add an Activity Step Note about the Step selected.

4.2.4.2.1.2. Add New Step—Users can enter the data identified below:

Column	Field	Validation/Edit Type
Activity Step Details	Activity Step	Drop-down menu
	Scheduled Completion Date	Calendar
	Actual Completion Date	Calendar
	Activity Step Note	Text Area
Audit Information	Created By	Auto-generated
	Create Date	Auto-generated

Column	Field	Validation/Edit Type
	Changed By	Auto-generated
	Change Date	Auto-generated

4.2.4.2.2. Borrowers tab

The Borrowers tab provides the ability to view or edit existing borrower information. The fields that can be edited are:

Tab	DataSet	Field	Validation/Edit Type
Borrower Information	Borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Home Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
		Work Phone	Numeric Edit Mask
		Marital Status	Alphanumeric Edit Mask
	Co-borrower Information:	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Phone	Numeric Edit Mask
		SSN	Numeric Edit Mask
		Birth Date	Calendar
Borrower Address	Borrower Address:	Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		County	Alphanumeric Edit Mask
	Mailing Address:	Mail to Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		Address3	Alphanumeric Edit Mask
Alternate Contact	Alternate Contact Info	First Name	Alphanumeric Edit Mask
		Last Name	Alphanumeric Edit Mask
		Address1	Alphanumeric Edit Mask
		Address2	Alphanumeric Edit Mask
		City	Alphanumeric Edit Mask
		State	Drop-down menu
		Zip	Numeric Edit Mask
		Home Phone	Edit Mask (###) ###-####
		Work Phone	Edit Mask (###) ###-####

Tab	DataSet	Field	Validation/Edit Type
		Other Information	Text Area

4.2.4.2.3. Property Inspection tab

The Property Inspection tab provides the capability to view, add, edit and delete property information. The tab allows the capability of importing a picture associated with a property onto the database. Multiple pictures may be attached to each loan. The ability to print a property inspection report in a report format is available but does not include any pictures. The ability to add and delete is allowed.

4.2.4.2.4. Transactions tab

The Transactions tab provides an informational display only and cannot be changed within the Transactions tab. The displayed information is associated with batch transactions for the loan and as activity occurs in that module the information is displayed as view only in this tab. There is currently no functionality required for this tab other than viewing and printing.

4.2.4.2.5. Documents tab

The Documents tab provides the capability to attach and detach scanned loan documents. Scanned loan documents should be scanned as TIF file formats. The system allows an unlimited number of scanned documents to be attached to each loan limited only to available hard-drive space and acceptable system performance.

4.2.4.2.6. Loan Recording Information tab

The Loan Recording tab provides the user with the Loan Recording Information. This includes the:

- Book number
- Page number
- Instrument number
- Payoff Date
- Release Prepared Date
- Origination Date
- Loan Recorded Date
- Mortgage Amount
- Authorized Person
- Notary, Prepared By
- Original Trustee
- Substitute Trustee
- Witness 1
- Witness 2

4.2.4.2.7. Checks tab

The Checks tab provides a listing of check information for the selected loan. Check information displayed includes the following:

- Check #
- Check Amount
- Check Date
- Pay To
- Printed
- Voided
- Cleared
- Created By
- Created Date
- Changed By
- Change Date
- Printed By
- Print Date
- Payor Last Name
- First Name
- Payor Address Line
- Payor Address Line2
- City
- State
- Zip
- Phone
- Bank Routing #
- Account #
- Reimbursable

4.2.4.2.8. Notes tab

The Notes tab provides the capability to view and print foreclosure notes. An unlimited number of notes can be associated with each loan however; a single note text is limited to 1000 characters. The user typically uses loan notes to track conversations related to foreclosure investigations and outstanding issues. There are different note types available to help categorize notes for ease of lookup.

4.2.4.2.9. Exceptions tab

The Exception tab provides the capability to view, add and edit loan exceptions on a loan. Loan Exceptions are used to identify unique conditions of a loan. The user is permitted to add new exceptions, update the exception date and exception note information and change the exception status from Active to Inactive. The user is not allowed to delete existing exceptions.

4.2.5. Servicing Module

The Servicing module is used to assist the user through the servicing activities required for a loan by providing program specific servicing activity timelines and a forms wizard for the generation of specific loan servicing forms and letters. The predefined templates for servicing steps activities provides a 'Scheduled Date' for each step by which time the specific action is to be completed. This allows the user to queue and plan their workload on a daily basis and track the servicing progress of each loan. Various optional servicing activity steps may be added as needed in the detail window of this module.

4.2.5.1. Servicing Search window

From this window the user can assign new servicing activities though the Mortgage Servicing Wizard. The wizard steps the user though the process in order to set up the different type servicing activities. Several of the servicing templates have steps associated with letters or forms, these steps are identified by a printer icon displayed to the left of them and appear in red font. The letters or forms can be printed and their associated servicing steps completed in bulk from here using the Mortgage Servicing Forms Wizard. By selecting (highlighting) multiple records and clicking the wizard button the user is prompted through the process to print the forms/letters and set the completion date. The Mortgage Servicing Summary report can be printed by clicking the Graph button on the menu bar.

4.2.5.2. Servicing Detail window

At the top of the servicing detail window (header information), the basic loan level information is displayed for reference. The data displayed consists of the following type of information:

- Borrower name
- Loan number
- Loan program type

4.2.5.2.1. Servicing Steps tab

The Servicing Steps tab provides the user the ability to view, add and edit the servicing activities assigned to the loan. Various optional servicing activity steps may be added as needed. The status of the step can be changed to inactive if the user added an item to the template in error or if it is no longer applicable to the loan. The user can also update the completion date for the step.

4.2.5.2.2. Servicing Mgmt tab

The Servicing Management tab offers a general summary of the Servicing template and allows the user to update the status of the selected servicing template. The DataWindow displayed is dynamic and varies depending on the Services History type selected for the selected loan.

- Calculation Worksheet
  - The worksheet date can be entered and edited in this window.
- Insurance
  - The related insurance servicing information can be entered and edited in the tab.
- Loss Mitigation—Deed in Lieu
  - An attorney can be selected and edited.

- Loss Mitigation—Pre-Foreclosure
  - An attorney can be selected and edited.
- Payoff Request
  - The payoff request servicing information can be entered and edited.
- Pre-Loss Mitigation
  - The reason for default of the load can be selected and edited.
- Request for Files
  - The request information can be entered and edited.
- Title Approval
  - The title approval status of the loan can be selected and edited.
- Violation Investigation
  - The result of the violation investigation can be entered and edited.

4.2.5.2.3. Notes tab

The Notes tab provides the capability to view and print servicing notes. An unlimited number of notes can be associated with each loan however; a single note text is limited to 1000 characters. The user typically uses loan notes to track conversations related to foreclosure investigations and outstanding issues. There are different note types available to help categorize notes for ease of lookup.

4.2.6. Maintenance Module

The Maintenance module allows authorized users to set user default preferences, change passwords, and add new table entries.

4.2.6.1. View/Edit System Options

Authorized users may view and edit system options including report options, foreclosure options, pdf program, company address, company phone numbers, system idle process, paths, password and company logo.

4.2.6.2. View/Edit Table Maintenance

Authorized users may view, edit, add and delete reference table entries.

4.2.6.3. View/Edit Company Settings

Authorized users may view and edit company information including company address, company phone numbers, company logo and audit information.

4.2.6.4. Import Bulk Data

Authorized users can import bulk data from these sources using the Data Import/Bulk Data Import Wizard in the Maintenance module:

- CHUMS

- HECM Disbursements
- SAMS
- TIPS

4.2.7. Customer Service Module

The Customer Service module provides an intuitive user interface for tracking and controlling service calls, as well as automate and support Loss Mitigation for HUD loans. Basic functionality existed in the legacy production system of **SMART** to support customer service calls; however, the process was redesigned to be better aligned with business rules and servicing requirements.

4.2.7.1. Customer Service window

Not all **SMART** users can see each Customer Service tab. The following table identifies the tabs and who is authorized to use them:

User	Visible Tabs
HUD Users	▪ HUD Inbox ▪ Ticket Search
HUD Supervisor	▪ HUD Inbox ▪ Supervisor Inbox ▪ Action List ▪ Ticket Search
Customer Service	Ticket Search
CS Supervisor	▪ Supervisor Inbox ▪ Ticket Search

4.2.7.2. HUD Inbox tab

- The HUD Inbox is the default tab for HUD users.
- A HUD Specialist is the only individual able to view his/her inbox.
- The HUD Inbox auto-populates with "Open" tickets assigned to the current user.
- Sorting: Priority ("High," "Medium," "Low"), Aging (Descending Date).
- Double-clicking an inbox row takes the user to the corresponding Ticket Detail
- A Show All filter allows Specialists to include "Closed" tickets in view.
- A date range, From and To, is provided for with the Show All filter.
- HUD Supervisors may select all or individual HUD users from a drop-down menu to view their Inbox.
- Aging: If a new Ticket is created for the same FHA Case No., the Aging function starts counting from the first incident created, not the most recent incident.

4.2.7.3. Supervisor Inbox tab

- All tickets created with the Ticket Wizard and given a disposition of "Referred to NSC" are sent to this Supervisor Inbox for review.
- The supervisor receives an email notification when a ticket is sent to the respective inbox for review.
- Supervisors have the ability to review ticket details by double-clicking a row in the Supervisor Inbox.
- After review, the supervisor has the ability to assign a ticket to a HUD specialist by clicking the Auto Assign button at the top to the tab. The new HUD designee appears in the New Designee field. The names are selected using a round robin approach based on the last assignment date.
- Once the assignment is saved, the Supervisor Inbox is refreshed and the reassigned ticket disappears.

4.2.7.4. Action List tab

- The Action List tab displays all the actions that were missed and provide a required follow up deadline as well as all actions that are required to be completed within 24 hours.
- Displays all tickets with a pending Foreclosure (FC) sale date within 48 hours of the sale date.
- The Action List is refreshed every time the tab is selected; new pending actions appear automatically.
- Tickets automatically disappear from the list once the follow up is completed or the ticket is resolved and closed by a specialist.
- Follow up action dates are set every seven (7) days, with the exception of the "Courtesy Call" and "Controlled Correspondence Contact" actions which are within 24 hours.
- The Program Director can change the default follow up time intervals, if case requires.
- E-mail notification is provided to HUD when a ticket has a foreclosure scheduled with 48 hours.
- The Action List tab provides access to all actions required by the user and is not restricted to a particular FHA Case No.
- No e-mail notification is necessary to prompt the user for next action required.

4.2.7.5. Ticket Wizard

The new module improves the process of adding a record by applying the following business rules before adding a record from the Ticket Wizard:

- If an active ticket already exists for a different reason code or if there is currently no active ticket, the new ticket is created.
- All users can create a new ticket.
- If an active ticket exists for the same reason code, upon clicking Finish, the user receives a pop-up message asking them if they would like to go to the Call Log screen for the active ticket with the same reason code. If the user clicks OK, they go to the Call Log screen for that ticket. If the user clicks Cancel, they return to the Ticket Wizard screen with the input data retained.
- Required fields are based on the loan type selected.

4.2.7.6. Ticket Search

- Users of the revised module are able to find an active ("Open" or "Pending") ticket for the matching reason code and simply add a call to the log with basic information about the call such as the name of the caller, the caller's phone number, and a note about the call.
- Tags are available for each note with the corresponding ticket number and allow the user to sort or filter notes by ticket number.
- The revised module allows users to retrieve records based on the Lender's Name.
- The module also allows all users to retrieve records assigned to them in the Designee field and narrow the result based on the status of these records.
- The module allows users to retrieve search results by pressing the Enter key.

4.2.7.7. Ticket Information window—Ticket Action tab

- Current Action is a drop-down of all available ticket actions.
- Current Action defaults to "Courtesy Call" upon ticket creation.
- Days in Current Action are the number of days since the ticket assignment to a HUD specialist.
- Current Action can be changed by selecting a different action from the drop-down menu; however, all remaining fields (Contact Type, Contact Date Result) must be populated before changing current action. The system prompts for any missing data.
- Current Action displays on the Ticket Detail tab.
- Controlled Correspondence is tracked on this tab. CC Type is a drop-down menu of available types of controlled correspondence.

4.2.7.8. Loss Mitigation

- Loss mitigation functionality allows the user to gather and analyze the borrower's current financial situation.
- The user has the ability to override the recommended loss mitigation option provided by the system.
- The user is able to print the financial analysis worksheet in a printer-ready format.
- The system makes the necessary calculations once the required fields are completed and a recommendation has been made for a loss mitigation option.
  - The system totals income and expense items.
  - The system calculates the total monthly surplus income by subtracting the total expenses from the total income.
  - The system calculates the surplus income percentage by dividing the total monthly surplus income by the total expenses.
  - Once sufficient data is entered, the system auto-populates the recommended loss mitigation option field based on the following logic:
    - If the borrower has a surplus funds percentage greater than zero and a number of months delinquent from three (3) months to twelve (12) months, the system recommends the Special Forbearance Plan.
    - If the borrower has a surplus funds percentage greater than zero and a number of months delinquent greater than twelve (12) months, the system recommend sa Loan Modification.

- If borrower has a surplus funds percentage of zero or less and a number of months delinquent of one month or greater, the system recommends a Pre-foreclosure Sale.

4.2.7.9. Ticket Assignments—Round Robin

- The round robin functionality automatically assigns a ticket to the next available HUD staff member based on status of "Active" and last assignment date.
- The HUD Inbox displays the open tickets assigned to the user that is currently logged into the system.
- Only HUD Supervisors can view assignments of other specialists by selecting the specialist name from the drop-down menu in the HUD Inbox.
- Functionality is provided to change the status of a HUD specialist in order to preclude ticket assignment, for example, if the specialist is on vacation.
- Ticket assignments to a HUD specialist have a disposition code of: "Referred to NSC (servicing)," "Referred to NSC (loss mitigation)," or "Referred to NSC (other)."

4.2.7.10. Ticket Detail

- The module has a Designee field to assign a **SMART** user to resolve the ticket issue. The user is notified via a system generated e-mail.
- The Loan Type field is provided to improve the reporting capabilities of the system and account for unique situations such as wrong loan numbers and research issues.
- The Status field is provided to accurately track the progress of the resolution of tickets.
- Incident tracking is separated from call tracking.

4.3. Input and Output

4.3.1. Inputs

4.3.1.1. Strategy

SMART receives data from the Strategy system, which includes Title II Secretary Held First and Second Mortgages on a daily basis. Data is only received from the Strategy system to refresh the data in SMART, but data does not flow from **SMART** back to Strategy.

4.3.1.2. Rēkon

Data related to the mortgage release process, generated in the Rēkon system, discussed above in Section 4.2.7.2, is imported into the **SMART** system. Additionally, software triggers cause the direction export of checks data created in Rēkon to the **SMART** database.

4.3.1.3. Wachovia Positive Pay

The Wachovia Positive Pay subsystem retrieves the monthly statement file from Wachovia and loads the pertinent data in the **SMART** system to support the monthly reconciliation process.

4.3.1.4. Other Input

4.3.1.4.1. User Input

Users input data manually into the **SMART** system by creating individual records through a series of Wizards and general input screens (of manual entry screens).

4.3.1.4.2. Bulk Data Input

Bulk data can be imported into **SMART** from several HUD systems. The following is a list of HUD Applications from which **SMART** obtains additional data:

4.3.1.4.2.1. Computerized Homes Underwriting Management (CHUMS)

4.3.1.4.2.2. Home Equity Conversion Mortgage (HECM) Claims Disbursements—data from Single Family Insurance System (A43)

4.3.1.4.2.3. Single Family Acquired Asset Management System (SAMS)

4.3.1.4.2.4. Tax Payment Service (TPS)

4.3.1.5. Vendor Input

4.3.1.5.1. Other Vendor Data

Data is also imported into **SMART** from several vendors as listed below:

4.3.1.5.1.1. First American Real Estate Tax Service (FARETS)—Tax Payment Service (TPS) data, i.e. real estate property tax due dates, delinquencies, and penalties

4.3.1.5.1.2. LexisNexis/BANKO—provides confirmation of a homeowner's bankruptcy status

4.3.1.5.1.3. Strategy system—**SMART** receives loan information.

4.3.2. Outputs

4.3.2.1. Reports

4.3.2.1.1. Foreclosure

4.3.2.1.1.1. Foreclosure Activity Listing

4.3.2.1.2. Monthly/Weekly reports

4.3.2.1.2.1. Automated Month-end Reporting

4.3.2.1.2.2. Details For Expired Mortgages Not Sent For Recording

4.3.2.1.2.3. Details For Subordinations Carried Over (Working On)

4.3.2.1.2.4. HECM Insured—Monthly Activity Invoice Detail Report

4.3.2.1.2.5. HUD Monthly Director Report

4.3.2.1.2.6. HUD Monthly Director Report—Collection Summary

4.3.2.1.2.7. HUD Monthly Director Report—Loan Inventory Summary

4.3.2.1.2.8. HUD Monthly Director Report—Summary (Ending UPB)

4.3.2.1.2.9. List of Open Loans (At Month End)

4.3.2.1.2.10. Loans Not Processed in Month End

4.3.2.1.2.11. Monthly Claims Paid Report

4.3.2.1.2.12. Monthly Counts

4.3.2.1.2.13. Mortgage Monthly Statements

4.3.2.1.2.14. Weekly Counts

4.3.2.1.3. Servicing/Release reports

4.3.2.1.3.1. Audit Log by User

4.3.2.1.3.2. Audit Tracking Report

4.3.2.1.3.3. Audit Tracking Report By User

4.3.2.1.3.4. Calculation Log

4.3.2.1.3.5. Closed Loan Files

4.3.2.1.3.6. Congressional Report

4.3.2.1.3.7. Disbursement Detail

4.3.2.1.3.8. Disbursement Summary

4.3.2.1.3.9. Export Banko File

4.3.2.1.3.10. Export Chase Check Reconciliation

4.3.2.1.3.11. Export Files With Missing Documentation for DCPS

4.3.2.1.3.12. Files With Missing Documentation

4.3.2.1.3.13. HECM Complaint Report

4.3.2.1.3.14. Loans Released With Balances

4.3.2.1.3.15. Missing Loan Document Detail

4.3.2.1.3.16. Needs Custodial Care Report

4.3.2.1.3.17. Release Activity Steps By User

4.3.2.1.3.18. Title Approval Denied Report

4.3.2.1.3.19. TPS Data Import Details

4.3.2.1.3.20. Transaction Detail Report

4.3.2.1.4. Customer Service

4.3.2.1.4.1. Comprehensive Report

4.3.2.1.4.2. Controlled Correspondence Report

4.3.2.1.4.3. CSC/HUD Closed Ticket Status

4.3.2.1.4.4. HUD Specialist Closed Ticket Status

4.3.2.1.4.5. HUD Specialist Open Ticket Status

4.3.2.1.4.6. HUD Specialist Tickets by Call Disposition

4.3.2.1.4.7. HUD Specialist Tickets by Region

4.3.2.1.4.8. Lender Specific Report

4.3.2.1.4.9. Performance Summary

4.3.2.1.4.10. Reason for Calling Report

4.3.2.1.4.11. Tickets by Call Disposition

4.3.2.1.4.12. Trend Report

4.3.2.2. Rēkon

Data related to the initiation of releases from **SMART** is exported to the Rēkon system, discussed in detail above.

4.3.2.3. Wachovia Positive Pay

The Wachovia Positive Pay subsystem extracts checks that have been written during the day, or since the last time the process has been run, including voided items, and transmits the resulting file to Wachovia using Secure Shell File Transfer Protocol (SFTP).

4.3.2.4. Other Outputs

SMART exports data to the following systems:

- HUD Federal Housing Administration Subsidiary Ledger (FHASL)
- Lexis/Nexis BANKO—a public records database for bankruptcies

4.4. Failure Contingencies

CLS-MGC has taken the precaution to prevent potential failures by ensuring the following backup procedures are in place:

4.4.1. Backup

4.4.1.1. Internal Backup

A system backup procedure for the **SMART** system is an automated process. The software used by MGC (Symantec Backup Exec 11d):

1. Performs a daily differential backup; five tapes are allocated for this process
2. Performs a weekly full backup

- One backup tape is allocated for this process and IT Staff in Tulsa does a full weekly backup of the smart database using the backup utility provided by Microsoft SQL Server.
- Copies are saved locally on the **SMART** production server

3. Performs a full monthly backup
   - One backup tape is allocated for this process where IT Staff in Tulsa execute a full monthly backup of the smart database using the backup utility provided by Microsoft SQL Server.
   - Copies are saved locally on the **SMART** production server.

4.4.1.1.1. Daily Procedure

This process is automated.

4.4.1.1.1.1. The software used by CLS-MGC (Symantec Backup Exec) performs a daily differential backup.

4.4.1.1.1.2. Five (5) backup tapes allocated for this process (from Tuesday to Saturday) located in Slots 1–5.

4.4.1.1.1.3. Tapes are overwritten when they are full.

4.4.1.1.2. Weekly Procedure

This process is automated.

4.4.1.1.2.1. Symantec Backup Exec performs a weekly full backup.

- One (1) backup tape allocated for this process (on Sunday) located in the Slot 6
- This tape is overwritten when it becomes full

4.4.1.1.2.2. The IT Staff in Tulsa executes a full weekly backup of the **SMART** database using the backup utility provided by SQL Server.

- Copies are saved locally on the **SMART** server under (`F:\SQL Backup`).

4.4.1.1.3. Monthly Procedure

Symantec Backup Exec performs an automated monthly full backup.

4.4.1.1.3.1. One (1) backup tape allocated for this process (for the first day of the month—if there is a conflict with the start time, the, monthly full backup supersedes weekly full backup) located in Slot 7.

- This tape is overwritten every month.

4.4.1.1.3.2. The IT Staff in Tulsa executes a full monthly backup of the **SMART** database using the backup utility provided by SQL Server.

- The copies are saved locally on the **SMART** server under (`F:\SQL Backup`).

4.4.1.1.3.3. The Offsite Backup supersedes the onsite backup. The offsite backup is stored encrypted to a secure data center, Ongoing Operations, LLC.

4.4.1.2. Alternate Storage Site

The alternate storage site cannot be susceptible to the same hazards as the primary storage site. MGC has established an alternate storage site separate from the primary production site in Tulsa OK in Hagerstown, MD. Ongoing Operations LLC is the external vendor that provides off-site storage for encrypted media.

Offsite backup data is stored encrypted and transmitted to a secure data center at Ongoing Operations. Specifically, such data is sent to an EVault server via the a network mesh linking both the Tulsa OK and Lanham MD facilities with the Ongoing Operations data center in Frederick MD.

4.4.2. Fallback

In the event of a disaster, data is reconstituted from internally generated backups or the EVault backup located at the Ongoing Operations data center.

4.4.3. Degraded Modes of Operation

The **SMART** system does not necessarily have degraded modes of operation; however, it is possible, due to the modular design of the system, to use some areas of functionality while others are not available. Additionally, in the event of a network outage not directly affecting the MGC LAN, it is possible for internal servicing users to access the system.

5.0 DESIGN CONSIDERATIONS

5.0 DESIGN CONSIDERATIONS

5.1. System Description

SMART is a client/server Windows®-based proprietary mortgage and customer servicing platform owned by HUD that streamlines the process of managing the mortgage loan portfolio for HUD. It is a major application that services approximately 400,000 loans. The **SMART** system allows users to search and review loan information, foreclosure and bankruptcy activity; make and review disbursements; run reports; send letters; and track and provide tickets for various other loan servicing activities.

The **SMART** system runs on Windows XP®, Windows Server 2003®. The primary development language/tool is PowerBuilder version 10.5; MS SQL Server 2000® is the database management system (DBMS). End user workstations and the various servers that support the system run a Microsoft® operating system.

General users of the system include contractor/subcontractor, CLS and MGC personnel respectively. General users provide all aspects of data processing within the **SMART** system. Some HUD users have access to the system generally for read-only purposes, but they are able to add and/or edit the Notes.

In addition to supporting the loan processing and customer service function related to the HUD mortgage portfolio, **SMART** is designed to:

- Provide capabilities for managing loan servicing activities
- Allow for managing loans in either bankruptcy or foreclosure proceedings
- Allow users the ability to monitor and transact mortgage release activity
- Provide users the ability to maintain reference data
- Allow users the ability to access forms and reports
- Supply a series of wizards and bulk entry screens to input data with ease
- Accommodates multiple independent users simultaneously
- Support expansion and scalability as the system requirements and functionalities grow and change with the number of users of the system
- Accommodate scalability and expansion without degradation of service

Data is input into the **SMART** system by users creating individual records through a series of Wizards and general input screens (of manual entry screens). Additionally, bulk data can be imported into **SMART** as SAMS or TPS data. Data is output from the system to various screens and reports within the system. **SMART** also interfaces with the Strategy system to receive loan information.

5.1.1. System Interfaces

5.1.1.1. P013/FHASL Interface

SMART interfaces with the HUD P013 Interface Subsystem, a subsystem of the Federal Housing Administration Subsidiary Ledger System General Ledger (FHASL). Data is automatically extracted from both Strategy and **SMART** that updates FHASL and appropriate accounting reports to automate the posting of transactions in FHASL as well as facilitate the reconciliation of these transactions.

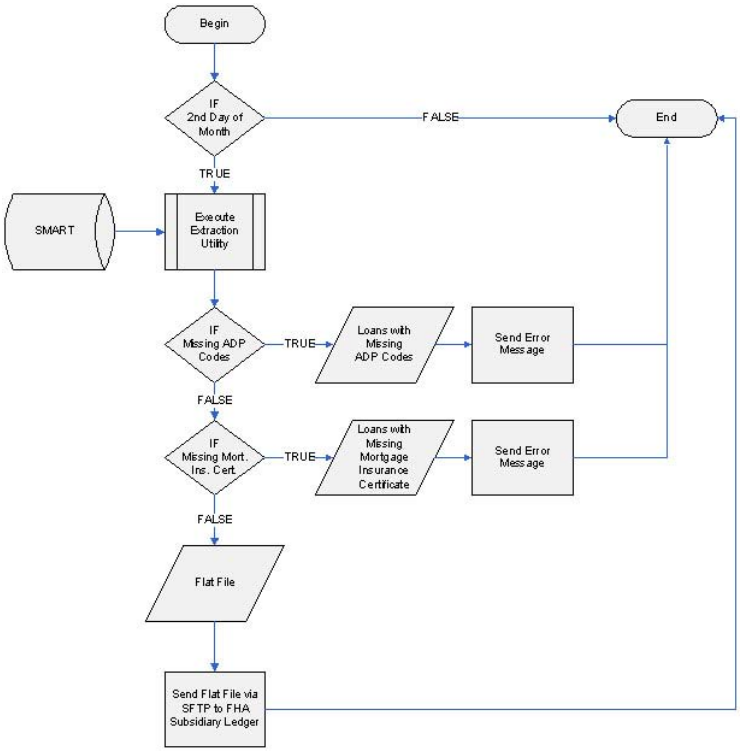

Figure 42. SMART–FHASL Interface Process Flow

5.1.1.2. Rēkon

Rēkon is a subsystem of **SMART** provided by Rēkon Technologies; it facilitates the release process by providing forms and reference data required by local land records offices and/or other respective authorities. When a release is initiated, a download process, which runs every fifteen (15) minutes with a seven (7) minute offset, checks for new releases. After finding the new release, it extracts the relevant data, and allows the output file created by this process to be uploaded into Rēkon The process sends confirmation that a loan has properly loaded in Rēkon by sending a trigger based receipt record back to **SMART**.

The Rēkon database directly updates **SMART** upon the population of the Actual Completion Date for any release step with a counterpart in **SMART** in real time via trigger mechanisms.

Rēkon is already in use by CLS-MGC for many of the other loan portfolios in the Contract; however, the functionality has been customized for various loan types. Rēkon is only equipped to process one unique loan number, whereas **SMART** processes multiple loans per one loan number. The primary key in Rēkon is the

loan number where the primary key in **SMART** is the loan_skey. Mapping the primary key in Rēkon to the **SMART** primary key has been programmed.

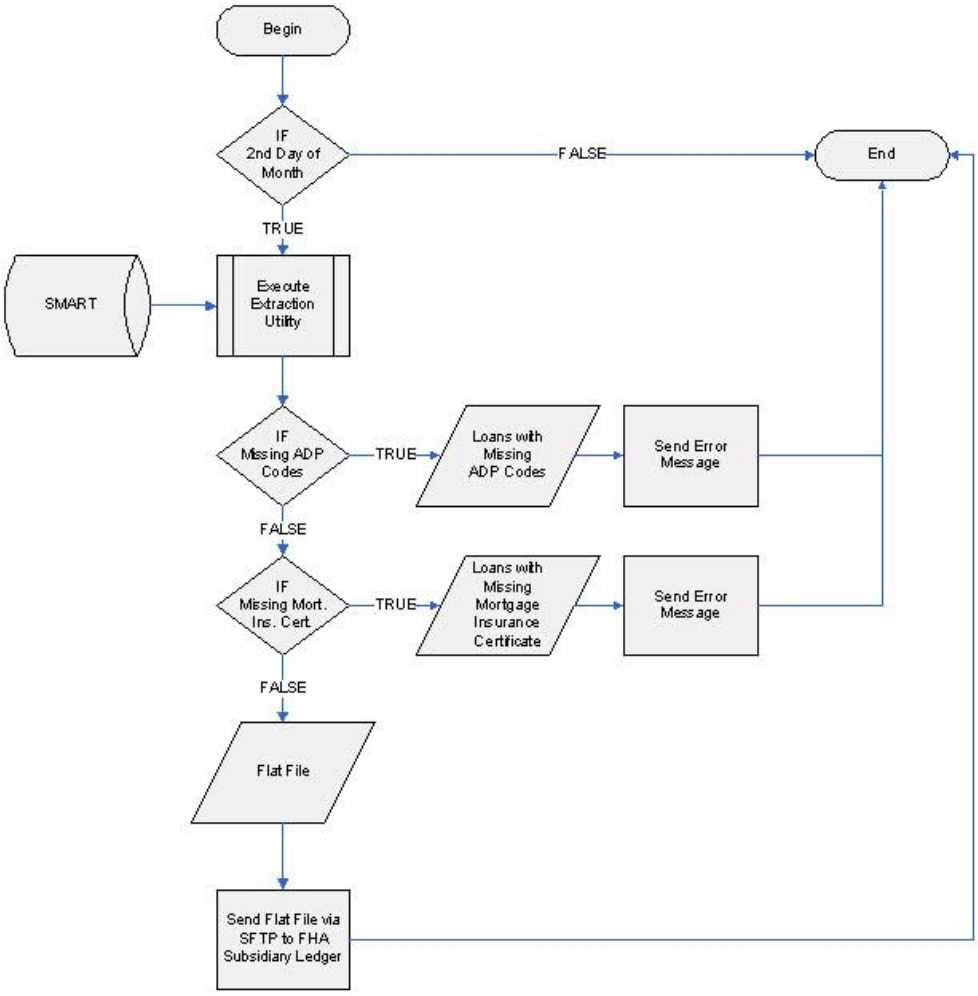

Figure 43. Rēkon Initial Release

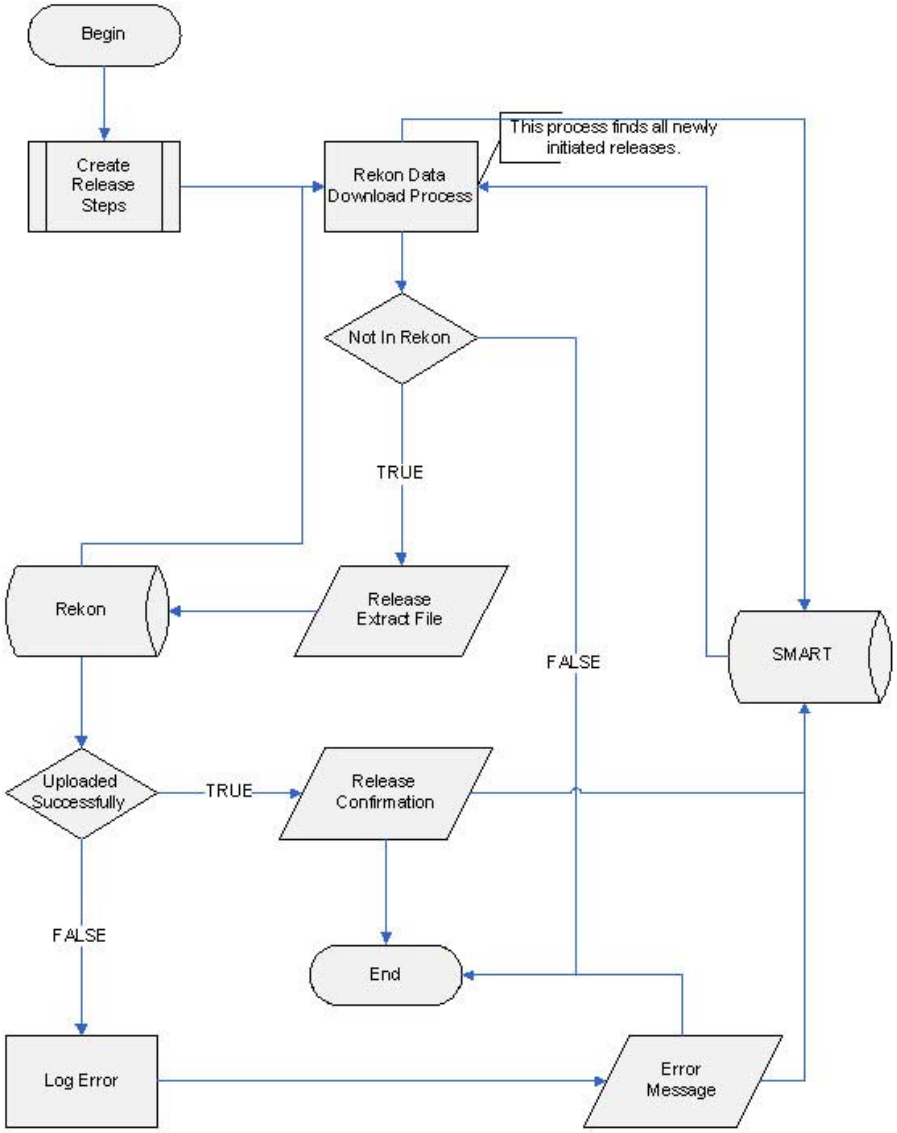

Figure 44. Release Change Step Status from Rēkon to SMART

5.2. System Functions

SMART is divided into the following modules:

- Loan Inquiry—Query and review loan information at a detailed level, add new loan records to the system and edit existing loan information.
- Bankruptcy—Maintain, track, and edit bankruptcy information for individual loan records.
- Foreclosure—Manage loan records in the foreclosure process. Provided a timeline of the required foreclosure steps and track the scheduled foreclosure activity against the actual dates for the completed foreclosure activity.
- Mortgage Release—Initiate the loan release process for satisfied loans, track the release status and generate the corresponding release forms and letters.

- Servicing—Assign mortgage servicing templates to individual loans, track the status of each servicing template and generate the corresponding forms and letters.
- Maintenance—Set user default preferences, change password and add new table entries.
- Reports—Access Batch, Foreclosure and Monthly/Weekly reports.
- Customer Service—Support customer service functions by tracking and controlling service calls.

Each module handles a different aspect of the loan while interacting with the other modules. Each module of the system in **SMART** services the following loan programs:

- 235—Insured
- ACA—Compliance
- ACA—Enforcement
- ACA—Purchase Money Mortgage
- HECM Insured
- HECM Assigned
- Nehemiah
- Good Neighbor Next Door [GNND, formerly Officer/Teacher Next Door (OTND)]
- Other
- Partial Claim
- Secretary Held

5.2.1. Servicing

The level of servicing varies, but can be summarized as follows:

- Full Servicing
  - Home Equity Conversion Mortgages (HECM) assigned to HUD
  - Secretary Held Loans/Purchase Money Mortgages (PMM)
  - 235 Assigned
- Compliance Note Servicing
  - Good Neighbor Next Door (GNND)
  - Asset Control Area (ACA) Compliance
  - ACA Enforcement
- Subordinate Note Servicing
  - Nehemiah
  - HECM Insured
  - 235 Insured
  - Partial Claim

5.2.1.1. Full Servicing

"Full servicing" manages the collections and complete servicing of the loans. It includes collection, generation of statements, forbearance agreements, bankruptcies (and the required filings), loan modifications,

verification of compliance with certain terms of the loan, et cetera and all efforts to service the loan and collect the debt.

5.2.1.2. Compliance Note Servicing

"Compliance Note Servicing" requires verification of compliance with the terms of the note and the release of the government lien once the required terms are met. Appropriate action must be taken if there is non-compliance with the terms of the loan and protection of the government's interest in the case of a bankruptcy.

5.2.1.3. Subordinate Note Servicing

"Subordinate Note Servicing" is primarily custodial care of the records and providing a release when the loan is satisfied. These notes are normally a second trust on the property, and generally, funds are not collected until the note is paid in full.

5.3. Flexibility

SMART is a scalable and flexible application that allows for minor and major revisions and enhancements. By capitalizing on preexisting functionality within **SMART**, development, testing, and implementation should minimize normal time constraints due to familiarity.

Enhancements of **SMART** should allow for easy addition, deletion, or replacement of data input fields.

6.0 ENVIRONMENT

6.0 ENVIRONMENT

6.1. Equipment Environment

MGC employs state-of-the-art technology and enterprise architecture to support the **SMART** system. The computing infrastructure supporting this system consists of Windows Server 2003 Enterprise used to host file, backup, application, and database servers. enterprise grade firewalls and an intrusion detection system are used on all incoming data. SonicOS Standard 3.1 (SonicOS) and Firmware software are used as the firewall and an intrusion detection system. SonicOS includes the following software as well, Gateway Anti-Virus, Anti-Spying & Intrusion Prevention Services, E-Mail Filtering Service, and Premium Content Filtering Services. CLS-MGC has access 24 hours a day, 7 days a week to full technical support through our maintenance agreement.

The **SMART** MGC environment network architecture uses Cisco networking equipment. The Server operating system environments maintained include Windows 2003 supporting Microsoft SQL Server 2000 database. Support for these systems is provided through enhanced support and monitoring capabilities for these systems by deploying and maintaining a standard set of technology components for this system. The architecture also relies upon a number of redundant components, such as network hardware, power supplies, hard disk Redundant Array of Independent Disks (RAID) 5 technology, load balancing, and telecommunications circuits that maximize availability.

6.1.1. System Component Inventory

Manufacturer	Model	CPU/RAM	Disk Configuration	Location/ Domain
Dell	PowerEdge Server 2950	(2) 2.33GHz Intel Xeon/4GB	C:16GB, D:119, E: 0GB	Lanham/HDQMGC
Dell	PowerEdge Server 2900	(2) 2.00GHz Intel Xeon/4GB	C:16GB, D:132, E: 0GB	Lanham/HDQMGC
Dell	PowerEdge Server 800	(2) 2.80GHz Intel Pentium 4/1GB	C:20.2GB, E:49.9GB G:698GB	Lanham/HDQMGC
Dell	PowerEdge Server 2950	(8) 1.60GHz Intel Xeon/2GB	C:114GB, D: 0, E: 814GB	Tulsa/HDQMGC
Dell	Power Edge Server 2950 (2)	(8) 1.60GHz Intel Xeon/2GB	C:103GB, D: 103, E: 0GB, F: 1.6TB	Tulsa/HDQMGC
Dell	Power Edge Server 6800	(4) 2.60GHz Intel Pentium D/4GB	C:68GB, D:0, E: 136GB, F: 409GB, G:546GB	Tulsa/HDQMGC
Dell	Power Edge Server R200	(2) 3.00GHz Pentium 3/4GB	C:12GB, D:219GB, E: 0GB	Tulsa/HDQMGC
Dell	PowerEdge Server 2950	(8) 2.00GHz Pentium 3/2GB	C:12GB, D:62GB, E: 0GB	Tulsa/HDQMGC
Dell	PowerEdge Server 860	(1) 3.20GHz Pentium D/2GB	C:24GB, D:123, E: 0GB	Tulsa/HDQMGC

Manufacturer	Model	CPU/RAM	Disk Configuration	Location/ Domain
VMWARE	VMware Virtual Platform	(8) 1.60GHz Intel Xeon/4GB	C:68GB, D:68GB, E: 203GB, F:474MB	OGO/HDQMGC
VMWARE	VMware Virtual Platform	(4) 3.40GHz Intel Pentium D/512MB	C:8GB, D:565	OGO/HDQMGC
VMWARE	VMware Virtual Platform	(4) 3.40GHz Intel Pentium D/512MB	C:8GB, D:0, E: 120GB, G:500GB	OGO/HDQMGC

6.1.2. System Hardware Inventory

Service Tag	Manufacture/System Type
GKX62C1	Dell Precision WorkStation 490
HXLKYD1	Dell Precision WorkStation 490
2YLKYD1	Dell Precision WorkStation 490
5D83YB1	Dell Precision WorkStation 490
80W2VB1	Dimension 1100/B110
8W12B81	Dimension 4700
5W12B81	Dimension 4700
8P6WDC1	OptiPlex 320
G36W0F1	OptiPlex 320
J16W0F1	OptiPlex 320
9J7V0F1	OptiPlex 320
F16W0F1	OptiPlex 320
7HSW0F1	OptiPlex 320
DGSW0F1	OptiPlex 320
4S8V0F1	OptiPlex 320
3S8V0F1	OptiPlex 320
C16W0F1	OptiPlex 320
JKSW0F1	OptiPlex 320
9LSW0F1	OptiPlex 320
216W0F1	OptiPlex 320
1KSW0F1	OptiPlex 320
HKSW0F1	OptiPlex 320
FMSW0F1	OptiPlex 320
DJSW0F1	OptiPlex 320
2MSW0F1	OptiPlex 320
JR8V0F1	OptiPlex 320
BMSW0F1	OptiPlex 320
6LSW0F1	OptiPlex 320
3KSW0F1	OptiPlex 320

Service Tag	Manufacture/System Type
BJ7V0F1	OptiPlex 320
426W0F1	OptiPlex 320
926W0F1	OptiPlex 320
3JSW0F1	OptiPlex 320
836W0F1	OptiPlex 320
CJ7V0F1	OptiPlex 320
536W0F1	OptiPlex 320
D26W0F1	OptiPlex 320
126W0F1	OptiPlex 320
1S8V0F1	OptiPlex 320
J36W0F1	OptiPlex 320
5S8V0F1	OptiPlex 320
6S8V0F1	OptiPlex 320
2S8V0F1	OptiPlex 320
J26W0F1	OptiPlex 320
5JSW0F1	OptiPlex 320
2LSW0F1	OptiPlex 320
6KSW0F1	OptiPlex 320
7MSW0F1	OptiPlex 320
9KSW0F1	OptiPlex 320
CKSW0F1	OptiPlex 320
546W0F1	OptiPlex 320
GQNWHC1	OptiPlex 320
HQNWHC1	OptiPlex 320
6XQ8WC1	OptiPlex 320
8GSW0F1	OptiPlex 320
HHSW0F1	OptiPlex 320
HGSW0F1	OptiPlex 320
4GSW0F1	OptiPlex 320
8JSW0F1	OptiPlex 320
2HSW0F1	OptiPlex 320
1JSW0F1	OptiPlex 320
BP6WDC1	OptiPlex 320
H26W0F1	OptiPlex 320
9P6WDC1	OptiPlex 320
27JT0F1	OptiPlex 745
G6JT0F1	OptiPlex 745
J6JT0F1	OptiPlex 745

Service Tag	Manufacture/System Type
D6JT0F1	OptiPlex 745
17JT0F1	OptiPlex 745
H6JT0F1	OptiPlex 745
F6JT0F1	OptiPlex 745
37JT0F1	OptiPlex 745
HK8V0F1	OptiPlex 745
D5JFSB1	PowerConnect 6248
86JFSB1	PowerConnect 6248
BJZ75C1	PowerEdge 2900
DDXQ0F1	PowerEdge 2950
CZ1R0F1	PowerEdge 2950
4HXWHC1	PowerEdge 2950
7V81JF1	PowerEdge 2950
F07B1F1	PowerEdge 6800
CN80981	PowerEdge 800
4R9LMC1	PowerEdge 860

6.1.3. Storage Media

Storage media includes hardware listed above and external media, including compact disks and 4mm Digital Audio Tape (DAT).

Storage Media Disk Units	Size	Number
PowerVault 220S	3U	14 HDD, SCSI Storage Enclosure
146GB 15K RPM 80-pin SCSI U3203.5-in HotPlug Hard Drive		(9)

6.1.4. Input/Output Devices

6.1.4.1. Printers

Printer	Location (TULSA)
Aficio BP20 Series	GUEST MANAGER
Aficio BP20 Series	Carlos Office
Aficio BP20 Series	Sha Terrell Office
RICOH SP4110N	Heather Office
RICOH SP4110N	Zena Office
RICOH SP4110N	Dino Office
Ricoh 2090	Main Printer (Big)

Printer	Location (TULSA)
Savin 4027	Document Management Dept.
Sharp MX-2300N Color	Customer Service Dept.
Troy 4250	Heather Office
Printer	**Location (LANHAM)**
Xerox Phaser 8500N	Copier Room
Canon IR 5000	Copier Room
Lexmark E234n	Accounting Office

Output devices	Number Online/Offline
Online-Aficio BP20 Series	(3)
Online-RICOH SP4110N	(3)
Online-Ricoh 2090	(1)
Online-Troy 4250	(1)
Online-Sharp MX-2300N Color	(1)
Online-Savin 4027	(1)

6.1.4.2. Scanners

SCANNERS	Location (TULSA)
Fujitsu fi 5900C	
Fujitsu fi 5650C	
SCANNERS	**Location (LANHAM)**
Canon IR 5000	Copier Room

6.2. Software Environment

MGC employs state-of-the-art technology and enterprise architecture to support the **SMART** system. The computing infrastructure supporting this system consists of Windows Server 2003 Enterprise used to host file, backup, application, and database servers. enterprise grade firewalls and an intrusion detection system are used on all incoming data. SonicOS Standard 3.1 (SonicOS) and firmware software comprise the firewall and the intrusion detection system. SonicOS includes the following software:

- Gateway Anti-Virus, Anti-Spying, & Intrusion Prevention services
- E-mail filtering service
- Premium content filtering services

CLS-MGC has access 24 hours a day, 7 days a week to full technical support through our maintenance agreement.

The **SMART** MGC environment network architecture uses Cisco networking equipment. The server operating system environments include Windows 2003 supporting the Microsoft SQL Server 2000 database.

Enhanced support for and monitoring of these systems are accomplished by deploying and maintaining a standard set of technology components. The architecture maximizes system availability through redundant technologies, including:

- Network hardware
- Power supplies
- Hard disk Redundant Array of Independent Disks (RAID) 5 technology
- Load balancing
- Telecommunications circuits

6.3. Communications Requirements

The **SMART** system generally relies on the MGC Local Area Network (LAN) and supporting infrastructure elements. Additionally, the system depends upon the network mesh, created by the BlueRidge devices in order for support services to be executed from the MGC Lanham office and interface with the disaster recovery center in Hagerstown, Maryland, Ongoing Operations, LLC (Ongoing). Moreover, a Virtual Private Network is required for end users and automated subsystems to interface with the HUD network. Finally, the Citrix Presentation Server is required to deliver the **SMART** system, a thick client server application, to end users at HUD, which are outside of the MGC LAN.

6.3.1. Communications Overview

Users may access **SMART** over a LAN or remotely through a Citrix application delivery infrastructure via an internet browser. The Citrix Presentation Server uses built in security mechanisms such as endpoint scans and policy controls. Both the network servers and local user machines all are equipped with virus scanning software with regular virus definition updates.

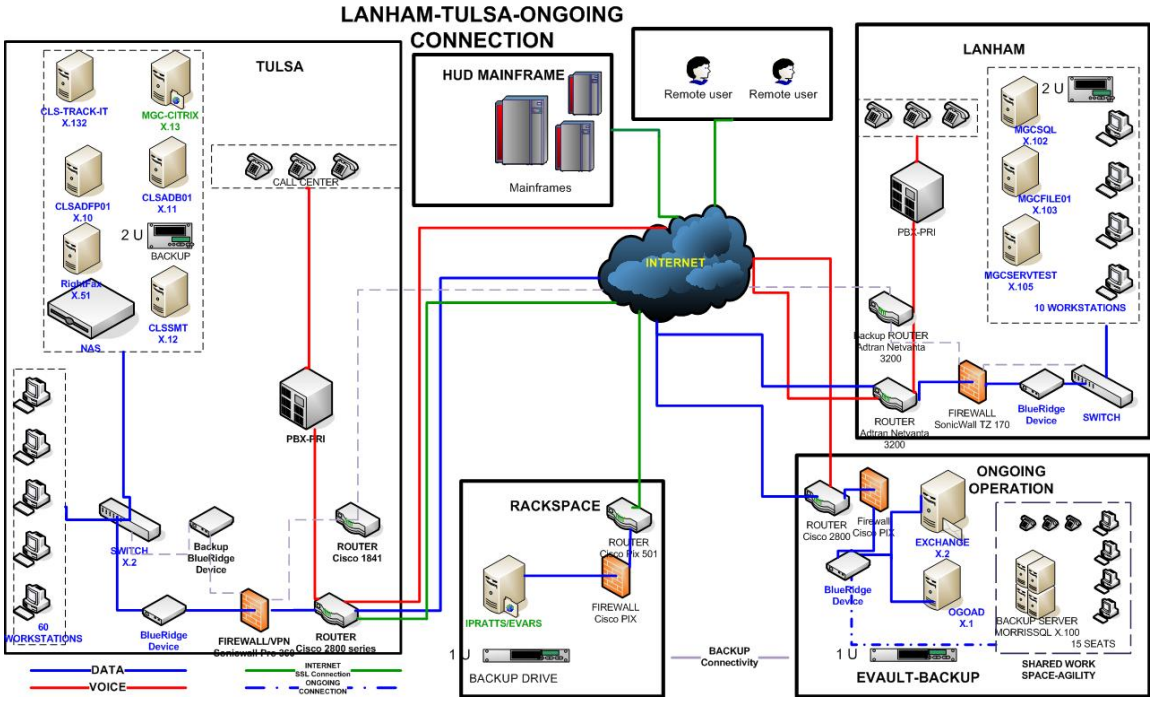

Figure 45. SMART Network Diagram

6.3.1.1. Network Architecture

The computing infrastructure supporting **SMART** consists of the items mentioned above as well as workstations with Microsoft Windows XP. All workstations are equipped with virus protection software that is regularly updated. Gateway Anti-Virus, Anti-Spying, and Intrusion Prevention services software is included with the SonicOS Enhanced software purchased for **SMART**.

Workstations implement a locking mechanism integrated into the Windows operating system. User accounts are locked after three (3) unsuccessful logon attempts. A locked-out account cannot be used until an administrator resets it. This is implemented through the Group Policy associated with the CLS-MGC Domain under the Active Directory and by local policy on each XP workstation. Workstations have a standard program application configuration. The user workstations are Dell Dimension 4700, Dell Precision 490, or Dell OptiPlex 320 or 745 PCs.

Access is provided to **SMART** over a LAN or remotely through a Citrix application delivery infrastructure via an internet browser. The Citrix Presentation Server uses built in security mechanisms such as endpoint scans and policy controls. The virus-scanning software installed on the network servers and local workstations is regularly updated with virus definition updates and software patches.

The network LAN and local edge connectivity and security are provided through a Dell Power Connect 6248 Layer-2 switch that routes specific application requests, such as Web content. Firewall technology is used to protect the MGC network and infrastructure from unauthorized access. The SonicWall PRO 360 and SonicWall TZ 170 firewall appliances with Gateway Anti-Virus, Anti-Spyware & Intrusion Prevention Services prevent Denial of Services (DoS) attacks, viruses, spyware, and encrypted attacks. Hardware encryption standards deployed for **SMART** include DES, Triple DES, AES, IKE, and auto-sensing (per device). Intrusion detection tools such as DoS attack prevention and deep packet inspection are used on the **SMART** system as well.

The Cisco Pix is a small enterprise security appliance firewall that provides VPN, SSL VPN, SSC/SSM, and built-in Intrusion Prevention capabilities. This Layer 2 and Layer 3 device is deployed in duplex for redundancy. The network connectivity infrastructure includes two Dell PowerConnect 6248 Layer 2 switches linking Dell Power Edge R200/860/6800 and 2900/2950 servers for enhanced performance and fail-over redundancy.

6.3.1.2. Interface Protocol

The standard interface protocol for **SMART** is the exchange of American Standard Code for Information Interchange (ASCII) files. Such exchange is made either via email or File Transfer Protocol (FTP).

6.3.2. Communications Hardware

Communications includes VPN tunnels to HUD using a SonicWall PRO 3060 as a Router and 2 T1 lines that serve as a communication conduit. BlueRidge devices are used to create a network mesh between the MGC Tulsa OK and Lanham MD offices and the disaster recovery facility in Frederick MD.

6.3.2.1. Network Device Inventory

Manufacturer	Model	Description	Quantity
Dell	(2) Dell PowerConnect 6248	Network Switch	2
3com	3com Switch	Network Switch	1
APC	Smart UPS 2200 VA	Battery backup	
Dell	PowerVault 220S (SCSI) File Storage (Tulsa)	File Storage	1
Dell	PowerVault 124T (Autoloader) Tape Backup Drive (Tulsa)	Tape backup drive	1
SonicWall	SonicWall TZ170 (Lanham)	Firewall	1
SonicWall	SonicWall PRO 3060 (Firewall Tulsa)	Firewall	1
Blue Ridge Networks	Blue Ridge Device (Lanham/Tulsa/Hagerstown)	VPN	3
CDW	Smart XL UPS 3000 VA/(2) 48V Extended Run Battery	Battery backup	
CDW	APC Back-UPS ES 700 - UPS - 405 Watt - 700 VA	Battery backup	62
Cisco	Cisco Pix (Rackspace)	Firewall	1

6.4. Interfaces

The **SMART** system interfaces with each of these external component systems:

6.4.1. CHUMS

6.4.1.1. Processing Schedule and Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
CHUMS Interface File	*.TXT	Weekly	Production	Email

6.4.1.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
CHUMS	*.TXT	Flat	Disk Drive	Fixed Length

6.4.1.3. Detail Record Layout

Serial No.	Field Name	Character Length	Position
Row 1			
D1.	Filler	5	1-5
D2.	FHA Case Number	10	6-15
D3.	Endorsement Date	8	16-23
D4.	Initial Fee Amount	7	24-30
D5.	Status Code	2	31-32
D6.	Transaction Date	8	33-40
D7.	Expected Interest Rate	5	41-45
D8.	Prior Case Number	10	46-55
Row 2			
D9.	Filler	18	1-18
D10.	Address Line 1	35	19-53
D11.	Address Line 2	6	54-59
Row 3			
D12.	Filler	18	1-18
D13.	City	19	19-38
D14.	State	2	39-40
D15.	Zip Code	9	41-49
D16.	Appraisal Amount	6	50-55
D17.	Maximum Claim Amount	6	56-62
D18.	Premium Amount	7	63-69
Row 4			
D19.	Filler	18	1-18
D20.	Payment Plan	1	19

Serial No.	Field Name	Character Length	Position
D21.	Program ID	2	20-21
D22.	Principal Limit	7	22-28
D23.	Term in Months	3	29-31
D24.	Interest Rate	5	32-36
D25.	Cap	5	37-41
D26.	Closing Date	8	42-49
D27.	MIC Issue Date	8	50-57
D28.	Margin Rate	4	58-61
Row 5			
D29.	Filler	18	1-18
D30.	Borrower Birth Date	8	19-26
D31.	Borrower Name	22	27-49
D32.	Borrower Social Security Number	9	50-58
Row 6			
D33.	Filler	18	1-18
D34.	Co-Borrower Birth Date	8	19-26
D35.	Co-Borrower Name	22	27-49
D36.	Co-Borrower Social Security Number	9	50-58

6.4.2. Lexis/Nexis BANKO

6.4.2.1. Processing Schedule & Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
Banko file	*.in1/*.de1	Monthly	Production	Email

6.4.2.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
Banko file	*.in1/*.de1	Flat	Disk Drive	CSV (double quote and comma delimited)

6.4.2.3. Detail Record Layout

Serial No.	Field Name	Max Character Length	Position
D1.	Loan number	15	
D2.	Borrower First Name	15	
D3.	Borrower Middle Name	10	
D4.	Borrower Last Name	25	

Serial No.	Field Name	Max Character Length	Position
D5.	Suffix	1	
D6.	Social Security Number	9	
D7.	Address	32	
D8.	City	30	
D9.	State	2	
D10.	Zip	10	
D11.	Client	8	
D12.	Agreement Date	8	
D13.	Product Code	2	

6.4.3. Strategy

Strategy data is loaded directly into the staging tables in the **SMART** system specified in the subsections below.

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	Delivery Point
Strategy (DAT-A and DAT-B)		Daily	Production	Direct

6.4.3.1. PCIF

Name	Data Type
Loan_no	Text(15)
Fname_primary	Text(20)
Lname_primary	Text(30)
Fname_secondary	Text(20)
Lname_secondary	Text(30)
Primary_street_addr	Text(40)
Primary_street_addr2	Text(40)
Primary_city_state	Text(40)
Primary_city	Text(40)
Primary_state	Text(2)
Primary_zip	Text(9)
Primary_ssn	Text(9)
Primary_phone	Text(11)
Secondary_ssn	Text(9)
Secondary_phone	Text(11)
Loan_program_skey	smallint

Name	Data Type
Borrower_skey	int
Loan_skey_2	int

6.4.3.2. PMASTER

Name	Data Type
Fha_case_no	Text(12)
Tax_id_verified	Text(1)
First_delinq_notice	Text(10)
Loan_no	Text(15)
Branch_code	Text(2)
Officer_code	Text(2)
Orig_prin_bal	money
Orig_loan_date	Text(10)
Loan_term	Text(4)
Pay_type_code	Text(1)
Contract_type_code	Text(1)
Int_rate	money
Accrual_method	Text(3)
Unpaid_prin_bal	money
Tax_escrow_bal	money
Ferrell2m_bal	money
Serv_fee_bal	money
Int_tax_bal	money
Susp_escrow_bal	money
Late_charge_bal	money
Monthly_prin_amt	money
Monthly_tax_escrow_amt	money
Monthly_ferrell2m_amt	money
Monthly_serv_fee_amt	money
Monthly_int_tax_amt	money
Collect_tax_escrow	Text(1)
Collect_insur_escrow	Text(1)
Next_escrow_anal_date	Text(10)
Escrow_anal_freq	smallint
Next_pay_due_date	Text(10)
Hold_code_1	Text(1)
Hold_code_2	Text(1)
Hold_code_3	Text(1)

Name	Data Type
Print_bills	Text(1)
Print_notices	Text(1)
Print_statements	Text(1)
Prin_paid_ytd	money
Int_paid_ytd	money
Late_charge_paid_ytd	money
Real_est_tax_paid_ytd	money
Times_late_ytd	smallint
Times_late_total	smallint
Balloon_loan	Text(1)
Assess_late_charge	Text(1)
No_days_to_delinq	int
Late_charge_rate	money
Late_charge_type	Text(1)
Last_trans_date	Text(10)
Loan_purpose_code	Text(2)
Loan_class_code	Text(2)
Prin_disbursed_bal	money
Maturity_date	Text(10)
Active_status_code	Text(1)
Deposit_acct_no	Text(25)
Gl_code	Text(1)
Loan_type	Text(1)
Payment_status_code	Text(2)
Loan_status_1	Text(10)
Loan_status_2	Text(2)
Cost_center	Text(4)
No_payments_delinq	smallint
Receivable_amt_due_bal	money
First_pay_date	Text(10)
Payoff_date	Text(10)
Insur_damage_bal	money
Trouble_debt_restruct	Text(1)
Gl_matrix	Text(10)
Contract_next_pay_due_date	Text(10)
Forebearance_agreement	Text(1)
Review_date	Text(10)
Pay_application_code	Text(3)

Name	Data Type
Due_date_delinq_nc	Text(10)
Loan_program_skey	int
Loan_skey_2	int
Loan_status	Text(6)

6.4.3.3. PNOTES

Name	Data Type
Loan_no	Text(15)
Note_type	int
Note_text	Text(%n)
Ref_no	Text(30)
Note_date	Text(10)
Loan_program_skey	smallint
Loan_skey_2	int
Note_skey	int

6.4.3.4. PTRANS

Name	Data Type
Loan_no	Text(15)
Trans_date	Text(10)
Trans_code	Text(2)
Tot_abs_trans_amt	money
Principal_amt	money
Int_amt	money
Misc_amt	money
Tax_escrow_amt	money
Fire_escrow_amt	money
Escrow3_amt	money
Seq_no	int
Suspense_escrow_amt	money
Late_charge_amt	money
Principal_bal	money
Batch_id	Text(1)
Batch_loan_class	Text(2)
Batch_no	int
Next_pay_due_date	Text(10)
Last_trans_date	Text(10)

Name	Data Type
Gl_no	smallint
Pay_reverse_post_code	Text(1)
Disburse_type_code	Text(2)
Vendor_no	Text(4)
Create_user_id	Text(16)
Pay_due_date	Text(10)
Check_no	int
Trans_sub_code	Text(2)
Ret_check_trans_code	Text(2)
Ret_check_trans_date	Text(10)
Effective_back_date	Text(10)
Suspense_no	smallint
Suspense_seq_no	smallint
Rdn_code	Text(1)
Note_attached	Text(1)
Misc_amt_code	Text(3)
Reverse_next_pay_date	Text(10)
Escrow4_amt	money
Escrow5_amt	money
Int_from_date	Text(10)
Int_to_date	Text(10)
Loan_program_skey	smallint
Loan_trans_skey	int
Loan_skey_2	int

6.4.4. Rēkon2000

Rēkon2000, or simply Rēkon, is a Commercial off the Shelf Product (COTS) provided by Rēkon Technologies. The system is used to increase the accuracy and efficiency of the releases handled by users of the **SMART** system. The vendor has provided complete documentation of the Rēkon system and there is a custom component that has been developed to exchange data with **SMART**. The data sharing mechanism is driven by two DTS packages and a set of Java classes used to extract and load data via flat file between the two systems.

6.4.4.1. Download

6.4.4.1.1. Processing Schedule & Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
Rēkon file with releases extracted from SMART	*.TXT	Every 15 minutes on business days between 7:00 and 19:00 CT	Production	The folder \\CLSSMT\Applications\Rekon - Production\upload_downloa\download

6.4.4.1.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
Rēkon file with releases extracted from SMART	*.TXT	Flat	Disk Drive	CSV (double quote and comma delimited)

6.4.4.1.3. Detail Record Layout

Serial No.	Field Name	Max Character Length	Position
D1.	Loan number	8	
D2.	Pay-Off Date	8	
D3.	Original Dollar Amount of Loan	17	
D4.	Property Address	100	
D5.	Property City	50	
D6.	Property State	2	
D7.	Property Zip	10	
D8.	Property County	30	
D9.	Property Tax ID/APN	50	
D10.	Original Mortgage/Deed Instrument No	50	
D11.	Original Mortgage/Deed Book	50	
D12.	Original Mortgage/Deed Page	50	
D13.	Original Mortgage/Deed Recorded Date	8	
D14.	Origination Date	8	
D15.	Current Borrower's First Name	50	
D16.	Current Borrower's Last Name	50	
D17.	Current Borrower’s Mailing Address Line 1	50	
D18.	Current Borrower’s Mailing Address Line 2	50	

Serial No.	Field Name	Max Character Length	Position
D19.	Current Borrower's Mailing City	50	
D20.	Current Borrower's Mailing State	2	
D21.	Current Borrower's Mailing Zip	10	
D22.	FHA Number	20	
D23.	Legal Description	254	
D24.	Current Trustee Name	254	
D25.	Original Trustee Name	254	

6.4.4.2. Upload

6.4.4.2.1. Processing Schedule & Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
Rēkon file with releases extracted from SMART	* to *.00n	Every 15 minutes on business days between 7:00 and 19:00 CT	Production	The folder \\CLSSMT\Applications\Rekon - Production\upload_downloa\upload

6.4.4.2.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
Rēkon file with releases extracted from SMART	* to *.00n	Flat	Disk Drive	CSV (double quote and comma delimited)

6.4.4.2.3. Detail Record Layout

Serial No.	Field Name	Max Character Length	Position
D1.	Loan number		
D2.	Status/Steps		
D3.	Status Date		
D4.	Rekon County Code		
D5.	Send To		
D6.	Checks Amount		
D7.	Checks Payee Name		
D8.	Checks Payee Address1		
D9.	Checks Payee Address2		
D10.	Checks Payee City		

Serial No.	Field Name	Max Character Length	Position
D11.	Checks Payee State		
D12.	Checks Payee Zip		
D13.	Checks Void Indicator		
D25.	Original Trustee Name		

6.4.5. Wachovia Positive Pay

The Wachovia Positive Pay Subsystem (WPPS) is used to assist with the periodic bank reconciliation of the accounts associated with **SMART**. Specifically these accounts pertain to the Home Equity Conversion Mortgage portfolio disbursements, loan release transactions for all portfolios and certain disbursements related to loans in the HUD Strategy system.

6.4.5.1. Processing Schedule and Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
WPPS	[6 digit account identifier].PROD	Monthly	Production	SFTP

6.4.5.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
WPPS	[6 digit account identifier].PROD	Flat	Disk Drive	Fixed Length, Zero Filled (except as noted)

6.4.5.3. Header Record Layout

Field Name	Character Length	Position
Record ID	2	1-2
Constant 1 (“WACH ACCT”)	10	3-12
Account Number	13	13-25
Constant 2 (“AS OF”)	8	26-33
As of Date (YYYYMMDD)	8	34-41
Blank Filler	54	42-95

6.4.5.4. Detail Record Layout

Field Name	Character Length	Position
Account Number	13	1-13
Check Serial/Deposit Location Number	10	14-23

Field Name	Character Length	Position
Check/Deposit Amount (without decimal)	10	24-33
Paid/Misc Debit Date (YYYYMMDD)	8	34-41
Transaction Indicators (“R” Recon./Paid, “S” stop or “V” void	1	42
Issue/Deposit Date	8	43-50
Payee Name	30	51-80
Blank Filler	15	81-95

6.4.5.5. Trailer Record Layout

Field Name	Character Length	Position
Record ID (“TR”)	2	1-2
Constant (“TOTALS FOR”)	10	3-12
Account Number	13	13-25
As of Date (YYYYMMDD)	8	26-33
Total Paid/Deposit Amount	12	34-45
Total Paid/Deposit Count	10	46-55
Blank Filler	40	56-95

6.4.6. WPPS Upload

6.4.6.1. Processing Schedule and Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
WPPS	[last 4 digits of account number + datetime (YYMMDDHHMMSS)].txt	Daily	Production	SFTP

6.4.6.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
WPPS	*.txt	Flat	Disk Drive	Fixed Length, Zero Filled (except as noted)

6.4.6.3. Header Record Layout

Field Name	Character Length	Position
Constant (“RECONCILIATIONHEADER”)	20	1-20
Bank Number (“0052”)	4	21-24
Account Number	13	25-37

Field Name	Character Length	Position
Total Dollar Amount of File	12	26-33
Total Item Count of File	5	50-54
Blank Filler	26	55-80

6.4.6.4. Detail Record Layout

Field Name	Character Length	Position
Account Number	13	1-13
Check Number	10	14-23
Check Amount (without decimal)	10	24-33
Issue Date (YYYYMMDD)	8	34-41
Void Indicator (“V” otherwise blank)	1	42
Payee Name	30	43-72
Blank Filler	8	73-95

6.4.7. Single Family Acquired Asset Management System (SAMS)

6.4.7.1. Processing Schedule & Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
SAMS	*.XLS	Monthly	Production	Email

6.4.7.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
SAMS	*.XLS	Flat	Disk Drive	CSV (double quote and comma delimited)

6.4.7.3. Detail Record Layout

Serial No.	Field Name	Character Length	Position
D1.	Case Number		
D2.	HUD Office		
D3.	NAID		
D4.	Property Address		
D5.	City		
D6.	State		
D7.	ZIP Code		
D8.	Closed		

Serial No.	Field Name	Character Length	Position
D9.	Reconciled		
D10.	Government/Non-Profit		
D11.	Bid Amount		
D12.	List Price		
D13.	Sales Proceeds		
D14.	Net Bid Amount		
D15.	Bid Disc Perc		
D16.	Bid Disc Net		
D17.	Sales Type		
D18.	SSNFIN1		
D19.	Purchaser 1		
D20.	SSNFIN2		
D21.	Purchaser 2		

6.4.8. Tax Payment Services (TPS)

6.4.8.1. Processing Schedule & Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
TPS	*.TXT	Daily	Production	Email

6.4.8.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
TPS	*.TXT	Flat	Disk Drive	Tab Delimited

6.4.8.3. Detail Record Layout

Serial No.	Field Name	Character Length	Position
D1.	Loan Number		

6.4.9. Federal Housing Administration Subsidiary Ledger (FHASL)

General system interfaces and supporting functionality exist within the overall framework of the **SMART** system. Although most interface data comes into the **SMART** system via a manual upload process, data is transmitted to the General Ledger Division of HUD, Federal Housing Administration Subsidiary Ledger (FHASL). This component is a standalone subsystem with the **SMART** framework.

6.4.9.1. Processing Schedule & Delivery Data

Description	File Name	Interface File Delivery Frequency and Schedule	Environment	File Delivery Point
Home Equity Notes Application FHASL Interface File	80HYYYYMMDD.DAT 80H = constant = System ID	Monthly: 2nd business day of the month at 11 AM eastern time	Production	The folder e:\dataxfer\fha\input on the server HWVANAP301 at HUD

6.4.9.2. Format Requirements

Description	File Name	File Type	Media	Fixed Length or Delimited
Home Equity Conversion Mortgages	80HYYYYMMDD.dat (80H = constant = System ID)	Flat	Disk Drive	Fixed Length

6.4.9.3. Header/Record Output

Serial No.	Field Name	Character Length	Position
H1.	P13C-SYSTEM-ID (System ID)	4	16-19
H2.	P13C3-TRANS-CODE	2	14-15
H3.	P13C-ACCOUNTING-PERIOD (Accounting Period for transactions)	6	26-31
H4.	P13C3-HDR-TRANS-TYPE (Record Type)	1	173
H5.	P13C3-DATETIME-STAMP (Run time date/time stamp)	15	174-188

6.4.9.4. Detail Record Layout

Serial No.	Field Name	Character Length	Position
D1.	Case Number	12	1-12
D2.	Case Status Code	1	13
D3.	Transaction Code	2	14-15
D4.	System Name	10	16-25
D5.	Accounting Period (YYYYMM)	6	26-31
D6.	Accounting Period FY	4	31-34
D7.	Accounting Period FM	2	34-35
D8.	Cohort	4	35-38
D9.	Fund Code (G/M)	1	39

Serial No.	Field Name	Character Length	Position
D10.	Fund Type (F/L)*	1	40
D11.	Risk Category Code	4	41-44
D12.	Vendor ID	1	45
D13.	Transaction Amount	15	46-60
D14.	Treasury Schedule Number	11	61-71
D15.	SOA/ADP Code (Num / Alpha)	7	72-78
D16.	Hawaiian Homelands Indicator	1	79
D17.	Mortgagee ID	10	80-89
D18.	Cohort Date	10	90-99
D19.	Transaction Effective Date	10	100-109
D20.	Accounting Event Code	10	110-119
D21.	General Ledger Debit number	10	120-129
D22.	General Ledger Credit number	10	130-139
D23.	System Record Key	20	140-159
D24.	Date Processed	10	160-169
D25.	Record Type	1	170
D26.	System Date-Time Stamp	15	171-185
D27.	Sequence number	8	186-193
D28.	Activity Type	5	194-198

6.4.9.5. Trailer Record Layout

Serial No.	Field Name	Character Length	Position
T1.	P13C-TOTAL-AMOUNT (Total of “Amount” Field, Set to “000000000000.00”)	18	49-63
T2.	P13C-TRLR-TRANS-TYPE (Record Type)	1	173
T3.	P13C-TOTAL-TRANS-COUNT (detail records count)	8	189-196

6.5. Summary of Impacts

6.5.1. Organizational Impacts

Developers are required to:

- Write code for the programming requirements for new loan program
- Assist with testing to assure the efficiency and accuracy
- Correct any potential failed processes

- Implement and release the final approved enhancements into the production environment
- Provide maintenance if and when needed

The MGC Information Technology (IT) team meets weekly to discuss and determine where assistance can be provided to facilitate and expedite the development of this new loan program.

No changes in IT staffing level or location are required.

6.5.2. Operational Impacts

The impact on the operational procedures of the information processing centers is minimized. Prior to implementation into the **SMART** Production Environment, all enhancements, modifications, releases, updates, etc. are tested in the **SMART** Test Environment, also known as Beta to prevent disruption in the actual Production environment that the Servicing staff use Monday through Friday from 7:00 A.M.–7:00 P.M. (Central Time).

The Beta environment simulates the actual conditions of the Production environment, providing a testing ground to identify any discrepancies or failed processes without affecting real loan data. Failed or potentially failed processes are corrected in the Development environment and deployed and retested in the Beta environment prior to release into Production. Testers include those on the IT team and actual **SMART** users, both at CLS-MGC and HUD when applicable.

A proposed test plan is submitted to the GTR for approval before testing can begin. A test plan also requires approval from the respective managers within CLS-MGC. Upon receipt of approval of the Test Plan, the testers executes it. After successful testing, the release proposal is submitted to GTR for review and approval. GTR authorization is required before any change, modification, or enhancement is released into the Production environment.

6.5.3. IS Developmental Impacts

The system is designed, developed, tested, deployed, and maintained by developers at CLS-MGC.

Development is performed in the **SMART** Development environment located in Lanham, MD. This environment is used for preliminary testing of configuration values for new requirements as well as initial unit testing of **SMART** system software changes. This environment is also configured to test software patches before migration into the Production Environment.

6.6. Failure Contingencies

Ongoing is an external vendor that provides off-site storage for encrypted media. The system backup procedure for the **SMART** system is an automated process.

6.6.1. Daily Procedure

This process is automated.

- The software used by CLS-MGC (Symantec Backup Exec) performs a daily differential backup
- Five (5) backup tapes are allocated for this process (from Tuesday to Saturday) located in Slots 1–5

- The tapes are overwritten when full

6.6.2. Weekly Procedure

This process is automated.

- The software used by CLS-MGC (Symantec Backup Exec) performs a weekly full backup
- One (1) backup tape allocated for this process (on Sunday) located in the Slot 6
- The tape is overwritten when full
- The IT staff in Tulsa, OK perform a full weekly backup of the **SMART** database using the backup utility provided by SQL SERVER
- Copies are saved locally on the **SMART** server under (`F:\SQL Backup`)

6.6.2.1. Monthly Procedure

This process is automated.

- The software used by CLS-MGC (Symantec Backup Exec) performs a monthly full backup
- One (1) backup tape is allocated for this process (first day of the month
  - If there is a start time conflict, monthly full backup supersedes weekly full backup) located in the slot 7
- This tape is overwritten every month
- The IT staff in Tulsa, OK perform a full monthly backup of the **SMART** database using the backup utility provided by SQL SERVER
- Copies are saved locally on the **SMART** server under (`F:\SQL Backup`).

6.6.3. Offsite Backup Procedure

The offsite backup is stored encrypted to a secure data center and transmitted to the EVault server nightly via the network mesh established with the Ongoing Operations facility in Hagerstown, MD.

6.6.4. Restart/Recovery

Daily backup of the system provide restart/recovery capabilities and data in the event of a failure. CLS-MGC also provides a redundant T-1 line to prevent excess expenditures for a minor event that would prevent HUD users from accessing the **SMART** system and Ongoing from the daily backups.

6.6.5. Other Contingencies

System data is backed up daily both onsite and at Ongoing. Data backups are stored, both onsite and offsite, in a secure disaster recovery facility with safeguards in place to reduce or eliminate the threat of loss due to fire, water, or other circumstance.

6.7. Assumptions and Constraints

SMART is a scalable and flexible application which allows for minor and major revisions and enhancements. Current and future development of **SMART** remains within the general parameters and conventions of the existing/legacy design, unless otherwise deemed necessary.

7.0 SECURITY

7.0 SECURITY

The security architecture of **SMART** is designed to protect the information stored in the database subsystem and their transactions according to the security and privacy requirements. **SMART** operates within the security architecture of MGC and prevents access by unauthorized users. (See the SMART System Security Plan.)

7.1. Background Information

SMART is accessible through an executable file available across a Citrix connection. Users is required to login with a unique login and password. The system tracks new database records by tracking the changing user and the date of the change.

7.2. Control Points, Vulnerabilities, and Safeguards

7.2.1. Control Points

7.2.1.1. Network Perimeter

A control point is provided around the network perimeter of the infrastructure supporting the **SMART** system.

7.2.1.2. Access Model

Users may access **SMART** over a LAN or remotely through a Citrix application delivery infrastructure via an internet browser. The Citrix Presentation Server uses built in security mechanisms such as endpoint scans and policy controls. Both the network servers and local user machines all are equipped with virus scanning software with regular virus definition updates.

7.2.1.3. Input Control Points

7.2.1.3.1. Origin

Data is entered into **SMART** by individual users.

7.2.1.3.2. Data Entry

The **SMART** system is used to perform data entry functions.

7.2.1.3.3. Disposition

Error correction is handled on the front end by forcing users to enter data into input masks and the use of reference tables to populate data in drop-down menus and list boxes.

7.2.1.4. Process Control Points

7.2.1.4.1. Accuracy and Completeness

SMART provides notification in the event of a failure during processing upon the user's submission of information into the system

7.2.1.4.2. System Interfaces

The **SMART** system interfaces with each of these external component systems:

- Strategy
- Rēkon
- Wachovia Positive Pay
- Computerized Homes Underwriting Management (CHUMS)
- Single Family Insurance System
- Single Family Acquired Asset Management System (SAMS)
- First American Real Estate Tax Service (FARETS)
- Federal Housing Administration Subsidiary Ledger (FHASL)
- LexisNexis/BANKO

7.2.1.5. Output Control Points

7.2.1.5.1. Production

Devices used to receive data include user workstations and printers. Data are exported to the following systems:

- HUD Federal Housing Administration Subsidiary Ledger (FHASL)
- Lexis/Nexis BANKO—a public records database for bankruptcies

7.2.1.5.2. Distribution

SMART is distributed through the stand-alone client/server application.

7.2.2. Vulnerabilities

The **SMART** system application has general vulnerabilities common to other like systems. Although CLS-MGC takes the appropriate steps to mitigate such vulnerabilities, complete elimination of such may not be possible. The following list provides a sample of vulnerabilities of the **SMART** system:

- Unauthorized access to:
  - A user's computer
  - FHA Case Number
  - Password information.
- Spyware technologies that monitor keystrokes on a user's computer

- Login information left unprotected

7.2.3. Safeguards

7.2.3.1. Administrative Safeguards

The following administrative safeguards are implemented and enforced:

7.2.3.1.1. Workstation Spyware/Malware

7.2.3.1.1.1. User workstations or laptops are safeguarded against spyware and malware technologies to avoid authentication information from being compromised.

7.2.3.1.2. Account Access Data

7.2.3.1.2.1. Login data (user ID, password) are protected and not openly displayed.

7.2.3.1.3. Critical Case Data

7.2.3.1.3.1. Mortgage Loan Numbers and FHA Case Numbers are protected and not openly displayed.

7.2.3.1.4. Access Control

7.2.3.1.4.1. Users are authenticated before permitted to enter the system and edit data.

7.2.3.1.4.2. Access rights are based on defined roles and groups.

7.2.3.1.4.3. Users are assigned to identified roles within defined groups.

7.2.3.1.5. Application Security

7.2.3.1.5.1. Application access is configured based on defined roles & responsibilities of users to their most restrictive values consistent with operational requirements.

7.2.3.1.5.2. Application access is assigned in accordance with internal control requirements to maintain clear segregation of duties.

7.2.3.2. Physical Safeguards

Physical security represents the first line of defense against intruders and adversaries attempting to gain access to MGC physical facilities which in turn open potential vulnerabilities to exploitation. There are multiple physical security measures in place for all locations. The buildings are locked down and the Tulsa facility and Ongoing data center monitor all access with cameras and security personnel, around the clock, all year round. Offices and common areas are isolated from the data center.

7.2.3.2.1. Physical Access

Physical access to the centers (Lanham, Ongoing, and Tulsa) is controlled using electromagnetic proxy-card system.

7.2.3.2.1.1. Entrances to the MGC sites in Lanham, Tulsa, and Ongoing are equipped with automatically closing and locking doors.

7.2.3.2.1.2. Each center is managed and maintained to ensure that access to MGC buildings, rooms, work areas, and spaces is restricted to only the appropriate and authorized personnel.

7.2.3.2.1.3. The hardware supporting the electromagnetic proxy-card badge access systems is physically located in a secure area within each data center facility.

7.2.3.2.2. Access Control System

The access system maintains information such as employee names, ID numbers, access badge numbers, issue date of the access badge, as well as what areas the employee is authorized to access.

7.2.3.2.2.1. Each system logs the date, time, and location of each entry into the data center..

7.2.3.2.2.2. If a connection between a badge reader and the master server supporting the card key system is severed, the badge readers have limited access using the access list stored in memory.

7.2.3.2.3. Visitor Registration & Escort

Mandatory visitor registration and escort policies are enforced.

7.2.3.2.3.1. Offices, general work spaces and common areas are isolated from the data center environment.

7.2.3.2.3.2. All visitors sign in and out when entering and leaving the facility and are escorted at all times.

7.2.3.2.3.3. Visitor logs are reviewed at closeout, maintained on file, and available for further review for one year..

7.2.3.2.3.4. Physical access by contractors/subcontractors for MGC is limited to those work areas requiring their presence.

7.2.3.2.3.5. Ingress and egress records are maintained for one year..

7.2.3.2.3.6. The Director of Information Technology (DoIT) approves initial access to these facilities for employees

7.2.3.2.3.7. The Director of Information Technology (DoIT) reviews and approves access lists and authorization credentials once a year.

7.2.3.2.3.8. The Facilities Manager at each location maintains the facility access approval of cards, keys, etc.

7.2.3.2.3.9. Keys, combinations, and other access devices are secured and inventoried every six months.

7.2.3.2.3.10. Keys, combinations, and other access devices changed any time keys are lost, combinations are compromised, or individuals are terminated or transferred.

7.2.3.2.3.11. Access is promptly removed for personnel no longer needing it.

7.2.3.2.4. Tulsa, OK Access

7.2.3.2.4.1. Access to the floor of the Tulsa, OK office itself is controlled by key cards.

7.2.3.2.4.2. Individuals must swipe their key card to activate the appropriate button in the elevator or enter from the stairwell.

7.2.3.2.5. Facilities Management Support

7.2.3.2.5.1. Facilities management provides on-call 24/7 support for the Tulsa, OK facility and responds to alarms.

7.2.3.2.5.2. Security systems include other proprietary physical security measures.

7.2.3.2.5.3. Facility monitoring is conducted on all critical electrical and Heating, Ventilation and Air Conditioning (HVAC) components.

7.2.3.2.6. Unauthorized Data Access

Adequate controls are in place to prevent users from gaining access to unauthorized information while a workstation is left unattended.

7.2.3.2.6.1. Current settings require session lockout after ten minutes of idle time.

7.2.3.2.6.2. Re-authentication is required to regain access.

7.2.3.2.7. Physical Protection of Sensitive Data

MGC ensures that facilities processing, transmitting, or storing sensitive information incorporate physical protection measures. These facilities include:

- Data centers
- Wiring closets
- Server rooms at non-MGC facilities
- Contractor facilities housing MGC IT systems supporting the **SMART** system on behalf of HUD

7.2.3.3. Technical Safeguards

7.2.3.3.1. User Access

The risk of using passwords—as opposed to other forms of authentication—is somewhat mitigated when information systems are accessed through local interfaces and contained within a controlled environment with physical access controls Thus, passwords that meet NIST SP 800-63 level 2 password requirements used locally in an environment with adequate physical access controls can be used in moderate-impact system, such as **SMART**, as defined in FIPS 199 and NIST SP 800-53.

7.2.3.3.1.1. User access to the **SMART** system and related devices are restricted to those with prior management approval for employees and contractors.

- MGC HR and the HUD Information System Security Officer (ISSO) are responsible for ensuring that appropriate sensitivity levels are associated with each position requiring access to **SMART**
- Job descriptions are documented to accurately reflect assigned duties and sensitivity requirements
- MGC HR and the HUD ISSO have the responsibility to verify that background investigations, for all individuals required, are submitted and their progress is monitored and documented until completed

- Background investigations are carried out commensurate with the sensitivity of the information and the risk to that information and system

7.2.3.3.1.2. System users are required to read and sign their respective organization's Rules of Behavior for system access.

- Access to each network layer is controlled and monitored by personnel through formal defined authorization, approval, and monitoring processes
- Authentication at the network layer incorporates a number of additional security layers, including firewalls, routers, and VPNs
- Access to the network, operating system, and database is restricted and granted only to specific pre-approved individuals by the system owner

7.2.3.3.1.3. User profiles define individual **SMART** users linked to one or more roles.

- Permission lists are added to each role, which controls a user's access level
- Each user of the information system has a unique profile and login attempts are verified and validated against a user access list
- The system authenticates users with the values specified in the user ID and password field. All unverifiable login attempts are denied access to the system

7.2.3.3.2. Process Safeguards

7.2.3.3.2.1. Users do not have the ability to delete existing information but, can add new effective information.

7.2.3.3.2.2. The **SMART** application has a built-in "Edit" functionality that ensures data integrity—for example, inputs can only be done in the date field specifically for dates.

7.2.3.3.2.3. Document IDs created in the system are sequentially assigned and controlled to disallow duplicates, such as voucher IDs and journal IDs.

7.2.3.3.2.4. The application invokes system controls on processing transactions; for example, a newly created journal can only be posted once to the ledger.

7.2.3.3.2.5. The software and information is protected against unauthorized changes by enabling the **SMART** "Effective Date" functionality to log and maintain audit trails of changes made to the configuration tables.

7.2.3.4. Network Perimeter

7.2.3.4.1. Intrusion Detection System

A third-party Intrusion Detection System (IDS) SonicOS, which includes a firewall and gateway virus scanning, is installed to continuously scan the SMART environment for abnormal behavior, suspicious traffic patterns, and known vulnerabilities (such as specific signatures in network packets). The IDS system is configured to automatically issue e-mail alerts based on conclusions made at the IDS console. An e-mail alert is sent to the **SMART** system administrators for review and potential action.

7.2.3.4.2. Access Model

Access to the **SMART** system is limited to users with a valid network login and password. The **SMART** database uses Windows Authentication to validate user rights. Active Directory group assignment is the basis for rights generally to access **SMART**.

7.2.3.4.2.1. Password length: The passwords for LAN users must be between eight (8) and sixteen (16) alpha/numeric characters in length; for Citrix, the characters include upper and lowercase letters, numbers and symbols.

7.2.3.4.2.2. Password history: A password history policy is enabled, whereby the last twelve (12) passwords are remembered by the system; users must create a password unlike their previous twelve (12) passwords.

7.2.3.4.2.3. Forced changes: Every ninety (90) days, the system Domain Security Policies force the user to change his/her password upon logging onto the computer.

7.2.3.4.2.4. The new password must meet the password policy or it will be rejected.

7.2.3.4.2.5. Compromised Credentials: The procedures for end users with compromised login credentials are covered in the Rules of Behavior. Upon notification of compromised login credentials, the MGC IT department immediately disables the login and password. Log records are inspected to see, what, if any unauthorized activities have occurred using the compromised credentials.

The procedures for handling the compromise of login credentials for Citrix users are as follows:

- The network administrator resets the password for a user when either the user or the network administrator believes the password has been comprised.
- Then the GTR is notified via e-mail to convey the password to the proper user.

7.2.3.4.2.6. Secure VPN Access: The VPN provides a secure, encrypted data connection between the MGC facilities (Tulsa and Lanham) and HUD. Single Family Asset Management staff will connect transparently to a Citrix server located at the MGC Tulsa facility, which facilitated all of the data transactions between the staff on the actual **SMART** application.

7.3. System Monitoring and Auditing

The **SMART** system environment has implemented a combination of hardware-based firewalls and router Access Control Lists (ACL) to monitor network security. A third-party IDS (SonicOs) is installed to continuously scan the network for abnormal behavior, suspicious traffic patterns, and known vulnerabilities (such as specific signatures in network packets). The IDS system is configured to automatically issue e-mail alerts based on conclusions made at the IDS console. An e-mail alert is sent to the Network Administrator(s) for review and potential action. Critical alerts from the IDS system are escalated. A ticket is then created to log and track the status of these critical alerts to resolution.

Additional security monitoring is performed using firewalls and the performance of periodic vulnerability assessments. Logging is enabled on the network firewalls to capture the volume of inbound denials. When volumes exceed preset thresholds, network personnel are notified immediately by e-mail. The details included in the e-mail are considered for risk and the next appropriate action. For extreme volume conditions, a ticket

is created to track the effort spent to address the alert. Additionally, the logs are retained for subsequent review in case further evaluation is required.

7.3.1. Journalizing

New records added to the system identify the creating user and the date which the record was created. Records that are modified identify certain information about the change and the modifying user and the date and time when the record was modified. Additionally, the application comes with system controls on processing transaction; for example, a journal created can only be posted once to the ledger.

7.3.1.1. Triggering Criteria

Journaling occurs upon addition or modification of a record in the database. Users do not have the ability to delete existing information but, can add new effective information. Also, certain tables in the **SMART** application track and maintain a log of changes made by the particular user and associate a date and time stamp. Any changes to the following tables trigger a journal entry in the audit logging tables:

- a_borrower
- a_loan
- a_loan_ach
- a_loan_checking
- a_loan_excptn
- a_loan_trans
- a_property
- a_release_activity
- a_servicing_activity
- a_servicing_mgmt

7.3.1.1.1. tu_a_loan_audit_log

The tu_a_loan_audit_log trigger is an example of the triggers tied to all of the aforementioned tables.

7.3.1.1.1.1. tu_a_loan_audit_log is a "for update" trigger which means that it fires every time an update is made to the a_loan table.

7.3.1.1.1.2. tu_a_loan_audit_log has a modular design in that it pulls the table columns from the syscolumns table[7] with the exception of the audit columns within the a_loan table[8].

7.3.1.1.1.3. Once tu_a_loan_audit_log pulls the column names it checks the update transaction to see how to enter data in the a_audit_log table.

[7] The syscolumns table is a Microsoft SQL Server 2000 system table which describes the user tables within the database.
[8] The audit columns include: create user (create_user_id), create date (create_date), change user (maint_user_id) and change date (maint_date).

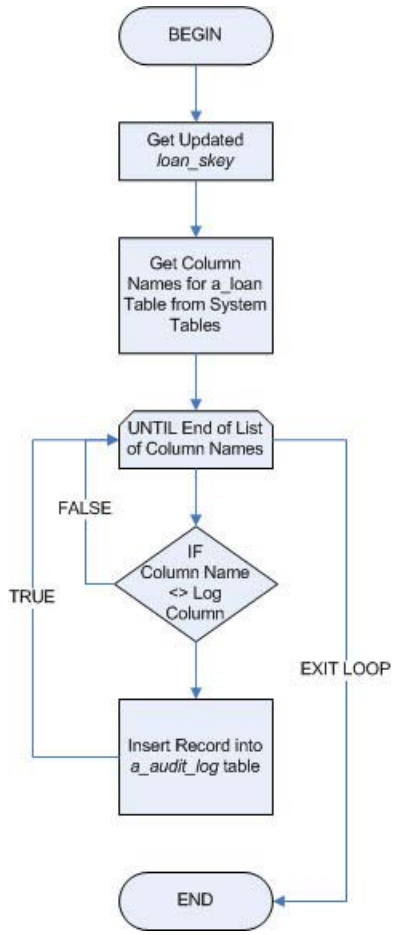

Figure 46. Loan Audit Log Process

7.3.1.1.1.4. tu_a_loan_audit_log records the:

- Unique loan identifier (loan_skey)
- New value
- Old value
- Table
- Column
- Modifying user
- The date and time of a modification

7.3.1.2. Identification Information

A journal records the unique user identification number for each record addition or modification in the database. Unique identifiers are as follows:

7.3.1.2.1. loan_skey

7.3.1.2.1.1. The primary key for the a_loan table

7.3.1.2.1.2. loan_skey creates a master record for each loan

7.3.1.2.2. loan_checking_skey

7.3.1.2.2.1. The primary key for the a_loan_checking tablem

7.3.1.2.2.2. loan_checking_skey contains a record for each check and Automated Clearing House (ACH) transaction

7.3.1.2.2.3. audit_tracking_skey

7.3.1.2.2.4. The primary key for the a_audit_log table

7.3.1.2.2.5. Each record in the a_audit_log table has the loan_skey

7.3.1.2.2.6. Each audit record can be mapped back to the master loan record

7.3.1.2.2.7. audit_checking_skey

7.3.1.2.2.8. The primary key for the a_audit_checking table

7.3.1.2.2.9. audit_checking_skey contains audit records for all changes to checks (typically covering the marking of checks as voided and cleared)

7.3.1.2.2.10. Each record has the loan_checking_skey in order to map such change tos:

- The check record
- The master loan record

7.3.1.2.2.11. The loan_skey column as the primary key of the a_loan table ensures that data throughout many other tables remains associated with a unique loan.

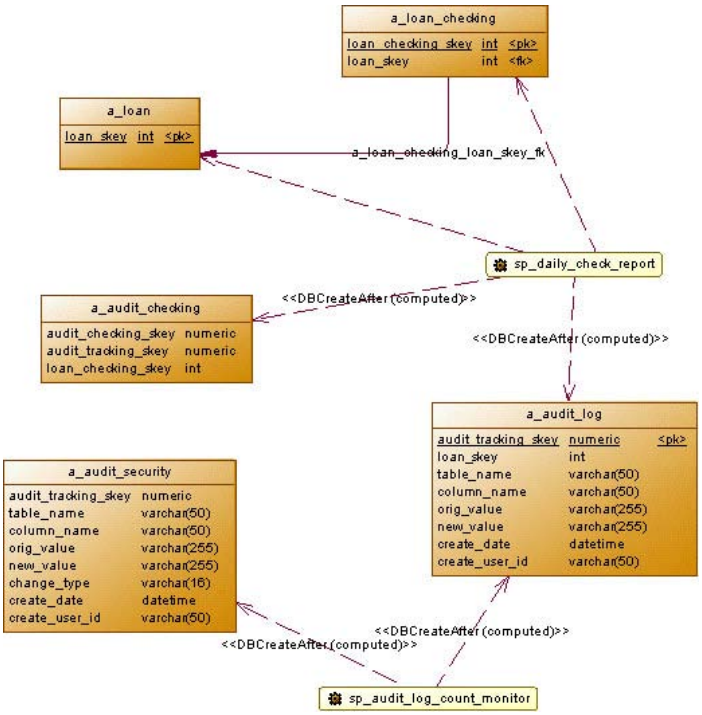

Figure 47. The Audit Data Model

7.3.1.2.2.12. The following tables have foreign keys which point back to the a_loan table and the unique loan_skey column:

- a_borrower
- a_foreclosure_mgmt
- a_loan_ach
- a_loan_checking
- a_loan_excptn
- a_loan_trans
- a_property
- a_release_activity
- a_servicing_mgmt

7.3.1.2.2.13. All data are traced back to a_loan and, therefore, to the loan_skey.

7.3.1.3. Application Data

Data to be captured for each journal entry includes the user id and date of the insert or change. All data can be traced back to the a_loan table.

Figure 48. a_loan Table Data

7.3.1.3.1. a_loan Table

7.3.1.3.1.1. The a_loan table contains a master record for each loan record in the **SMART** system.

7.3.1.3.1.2. The primary key for the a_loan table is loan_skey which must be a unique numeric value.

7.3.1.3.1.3. The design allows for multiple loan/FHA case numbers (loan_no; fha_case_no).

7.3.1.3.1.4. Both have an equity and appreciation note that must be managed separately with the same associated loan number.

7.3.1.3.1.5. Data central to the ongoing loan management ar stored in this table.

7.3.1.3.1.6. Such data include the:

- Original principal balance (orig_prin_bal)
- Interest rate (int_rate)
- Loan term (loan_term)
- Mortgage insurance premium (mip),
- Other information.

7.3.1.4. Journal Use

7.3.1.4.1. Simple Database Query

A simple database query can be used to review journal entries based on various criteria.

7.3.1.4.2. Audit Trace File

An audit log trace file is created for the database level changes.

7.3.2. Audit Trail

7.3.2.1.1. Trace Files

User activities within the **SMART** system database are recorded in trace files that serve as audit trails.

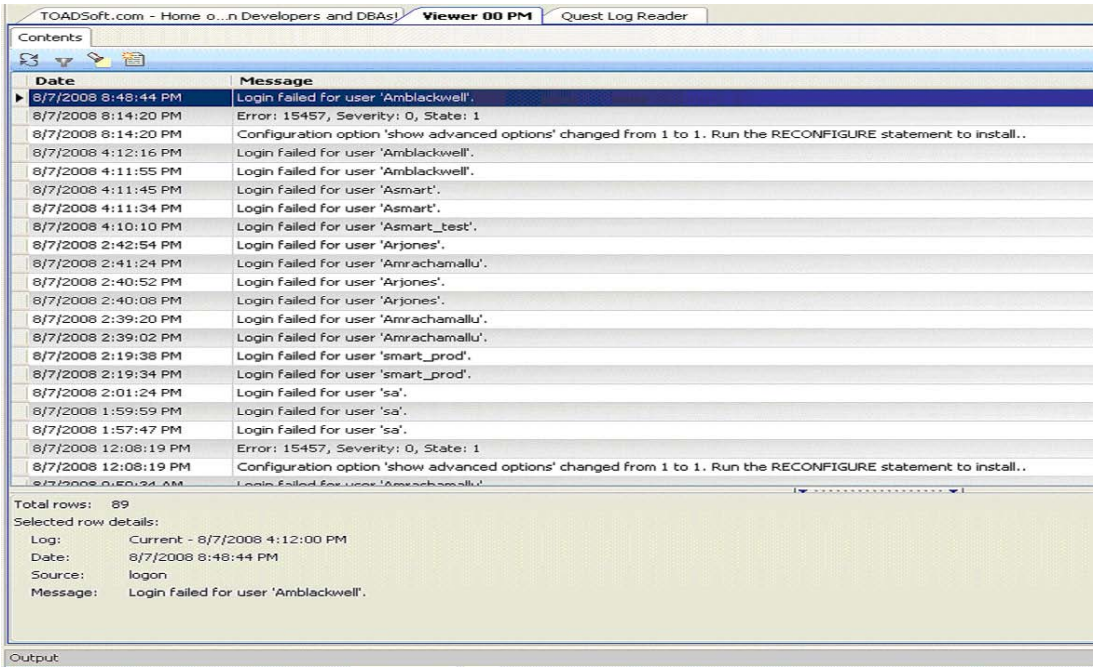

Figure 49. Sample Security Log

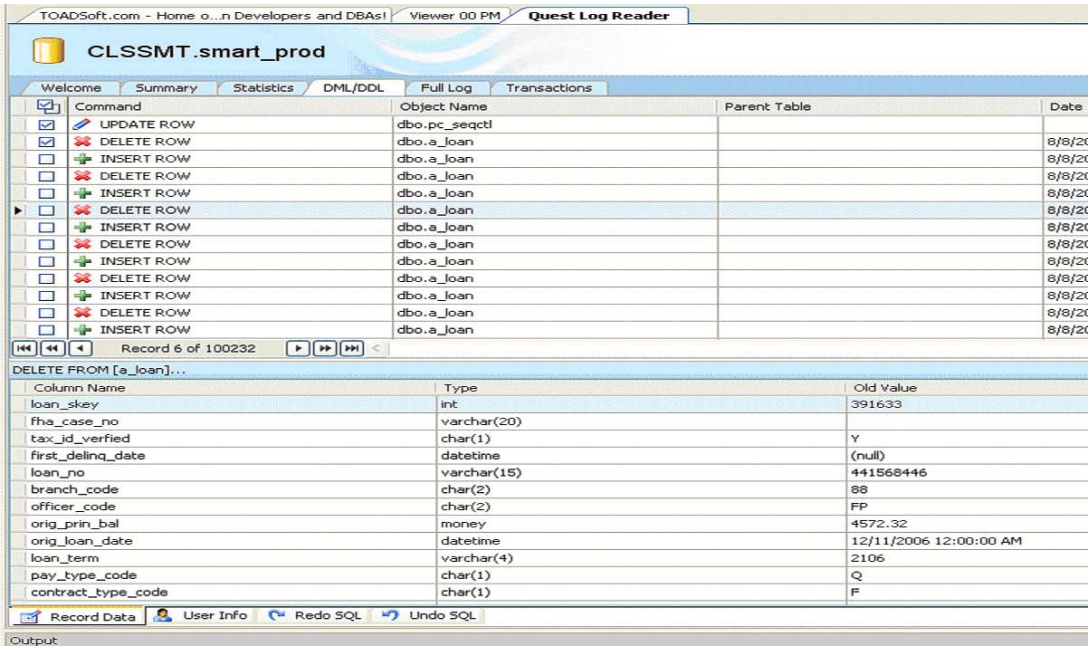

Figure 50. Sample Transaction Log

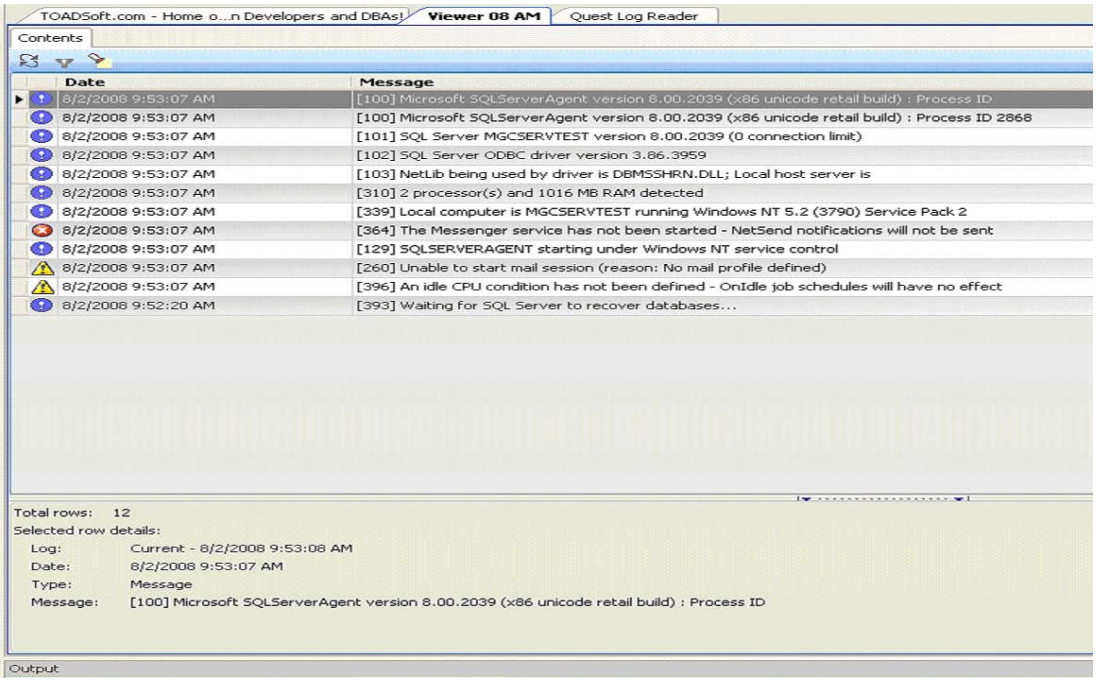

Figure 51. Sample Agent Log

7.3.2.1.2. Logs

The database management system provides these logs:

- Security
- Transaction
- Agent

7.3.2.1.3. User Tables

Additionally, certain tables that capture key financial and/or personal data log that activity in user tables within the database itself[9]. A list of the tables that update the audit data is listed in Section 7.3.1.1 above.

7.3.2.1.4. Human Interface

The Network and Security Manager routinely reviews these trace files for incompatible actions and investigate any abnormalities.

7.3.2.2. Audit Reports

The following audit reports, accessed under the **Report** menu as **Servicing/Release Reports**, are available to track changes

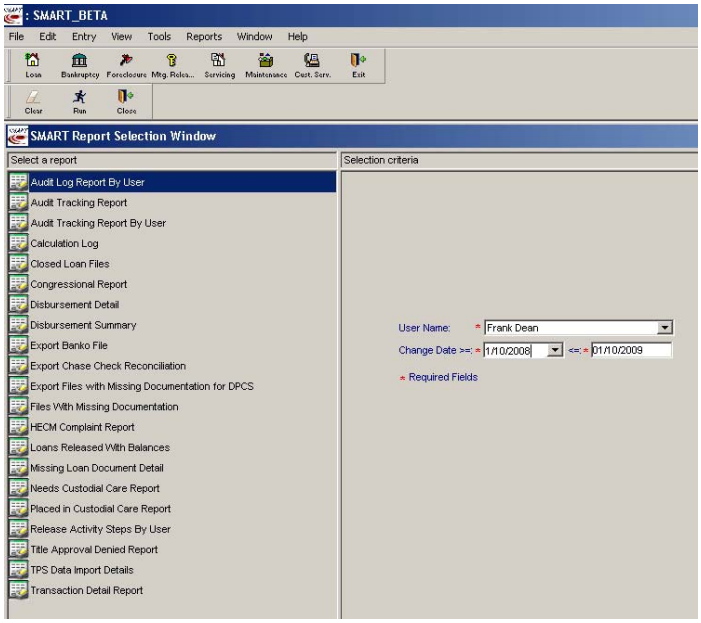

Figure 52. SMART Security Report Options

[9] The user table is a_audit_log, additionally, a legacy table, a_audit_tracking, provides a similar function but with only captures a small portion of the columns in the a_loan table. The a_audit_tracking table functionality is phased out but the content is preserved indefinitely.

7.3.2.2.1. Audit Log Report by User

The **Audit Log Report by User** report provides details related to an individual's activities during a certain period of time.

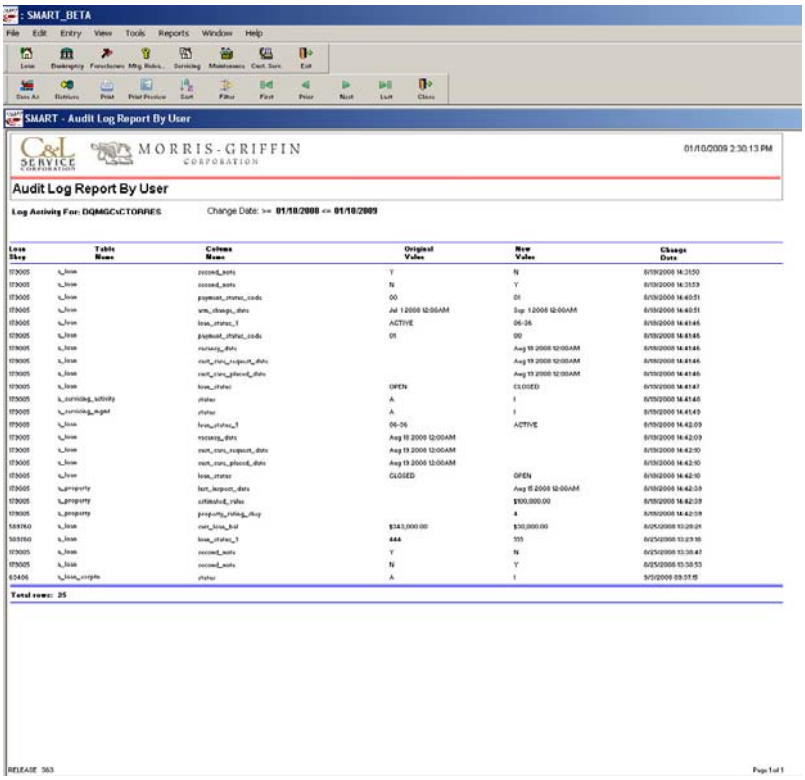

Figure 53. Audit By User Report

7.3.2.2.2. Audit Tracking Report

The Audit Tracking Report provides, during a specified period of time, details related to a specific state and audit type, such as:

- current principal limit
- Gross line of credit
- Loan status 1
- Original line of credit
- Payment plan

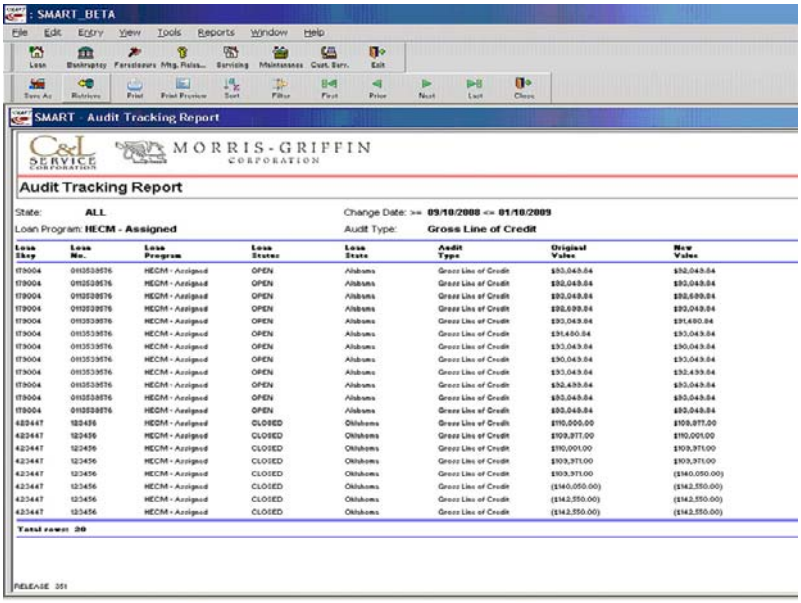

Figure 54. Audit Tracking Report

7.3.2.2.3. Audit Tracking Report by User

The **Audit Tracking Report by User** provides details related to a specific user and allows for further criteria, specific state and audit type, that is:

- Current principal limit
- Gross line of credit, loan status 1
- Original line of credit
- Payment plan

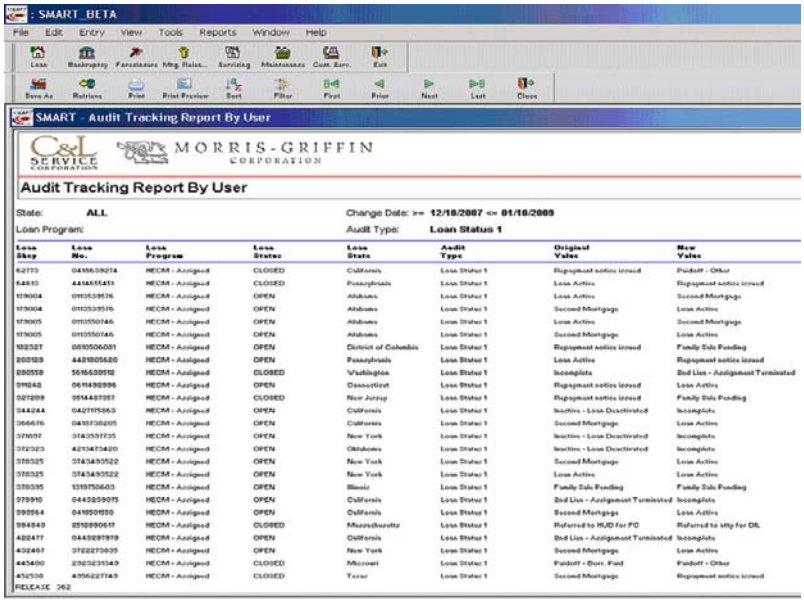

Figure 55. Audit Tracking By User Report

These can be tracked and reported during a specified period of time.

7.3.2.3. Transactions Back to Original Source Documents

A history table is kept of the original records.

- Upon receipt of physical documents, notes, appraisals, recorded documents, and proposed HUD-1, the Loan Conversion staff verifies the data within **SMART**
- Changes made within **SMART** from the original data are tracked as described in Section 7.3

7.3.2.4. Transactions Forward to Summary Totals

The following automated stored procedures are automatically run daily:

- sp_audit_log_count
- monitor, sp_daily_check_report
- sp_rekon_daily_summary
- sp_rekon_daily_detail

These stored procedures provide the data for the reports described below.

7.3.2.4.1. Daily Audit Log Count

This keeps a count of the number of changes made in each table.

Table Name	Record Count
a_borrower	41
a_loan	1431
a_loan_ach	0
a_loan_checking	549
a_loan_excptn	2
a_loan_trans	0
a_property	18
a_release_activity	531
a_servicing_activity	808
a_servicing_mgmt	81
security_group_mapping	0
security_groupings	0
security_info	0
security_users	0

7.3.2.4.2. Daily Release Summary

This summary provides a daily and year-to-date summary of releases initiated, inserted, and downloaded.

Daily Release Summary for 01/07/2009	
Releases Initiated in **SMART** today	48
Releases Inserted into Rēkon today	48
Releases Initiated in **SMART** since 04/09/2008	12751
Releases Downloaded into Rēkon since 04/09/2008	12881
No loans exist in **SMART** with a missing step in Rēkon	

7.3.2.4.3. Daily Check Report

This report provides the following information regarding checks:

- Number of checks written/voided daily
- Totals
- Account numbers check was drawn from
- Check number
- Print date
- Amount
- Payee
- Loan number

- loan_skey

7.3.2.4.4. Rēkon Daily Detail Report

This report is used to track the number of daily release activity performed in **SMART** and Rēkon and provides the following information:

- loan_Skey
- Loan number
- Borrower
- Scheduled date
- Actual date

7.3.2.4.5. SQL Server Job System

Daily Rēkon Reports completed on `\\CLSSMT` keep track of:

- Jobs performed on the SQL server
- The success or failure of those jobs

7.3.2.5. Summary Totals Back to Component Transactions

The following audit reports are available within **SMART** to track changes under the **Report** menu as **Servicing/Release Reports**:

- Audit Log Report by User
- Audit Tracking Report
- Audit Tracking Report by User

7.3.2.6. All Record Disposition Schedules

- All audit records and electronic files are maintained for an indefinite period
- The **SMART** system is owned by HUD
- CLS-MGC is the contractor/subcontractor awarded the Contract to maintain, enhance, and modify the system
- Upon contract end, the data shall still be maintained within **SMART** or handed over to the custody of HUD and/or its designee

Attachment 4

Code Changes to EVARS

10-09-2012

In C:\inetpub\evars\view\vextension\dsp_extensionSearch.cfm, line 61 was commented out to prevent HECM extensions from being requested. Jane Anderson requested this. HECM loans are now being handled by HERMIT.

10-15-2012

Code change was reversed from 10-09-2012. However, FHA Case #'s in table, HECM_REF where set to status, 'C' from 'O' if no previous requests were made, since HERMIT can only handle new requests. A backup of HECM_REF was made in table, HECM_TEMP.

02-01-2013

Line 32 of evars\view\vextension\dsp_extensionSearchResult.cfm
"Other(SSCRA/Moratorium/Title Issues/Drug Seizure/Natural Disaster)" changed to "Other"

Added record to table EVARS.dbo.other_extension_type_ref: "Submitted Due to ML 2012-22"

03-15-2013

Line 79 of evars\view\vVariance\dsp_varianceHome.cfm removed, requested by Anh:

<option value="varianceHAMP" <cfif comparenocase(variables.fhaSearch.getFhaSearchInfo().getSelVarianceType(),"varianceHAMP") eq 0>selected="selected"</cfif>>FHA-HAMP</option>

05-13-2013

Mcladrey database changes for test system:

```
alter table extension_req
add [mitigation_status] [bit] NOT NULL DEFAULT 1
```

Added Variance_Ratio_Sets table

Added columns to Variance_Req table: front_end_ratio, back_end_ratio, need_extension_appraisal, appraisal_completed_dt, need_extension_atp, atp_date, other_issues

But removed the Create a New Set of Variance Ratio Sets on the Screen

Then implemented the rest of Mcladrey Changes with Richard Sell's fixes

Code Changes to ECLASS

Attachment 4

6-12-2012

In C:\inetpub\eclass\model\course\schedule\courseschedulegateway.cfc, line 70 was commented out and replaced by line 71. The Start Date is >= '2012-02-01' as requested by Debra Beacham to fix defect.

9-18-2012

Defect: FHA cases not showing up for some lenders when doing HECM extension requests, even though they are in the HECM_REF table and Lender ID is in the Lender_REF table.

In C:\inetpub\evars\model\mExtension\act_getFhaInfo.cfm, line 76 and 81, the session variable, "SelVarianceType" was changed to "SelExtensionType". Was later reversed.

Code Changes to EHLP

06-28-2012

Changed C:\inetpub\EHLP\form.cfm to allow various types of Excel Files to be uploaded. Backup saved as form2012-06-28.

Attachment 5

FUNCTIONAL REQUIREMENTS DOCUMENT

Extensions and Variances Automated Requests System (EVARS)

U.S. Department of Housing and Urban Development

April 2011

Revision Sheet

Release No.	Date	Revision Description
Rev. 1	10/11/06	Draft Document
Rev. 2	11/22/06	Incorporated Business Rules, change Acronym to EVARS, and modify document based on HUD's input.
Rev. 3	11/28/06	Incorporated additional functionality based on business rules.
Rev. 4	04/04/07	Incorporated revised business rules and modified system functionality
Rev. 5	08/08/07	Incorporated system functionality changes gathered from 05/16/07 HUD training and thereafter.
Rev. 6	07/01/08	Incorporated revised business rules and modified system functionality
Rev. 7	02/23/09	Incorporated new functionality including signature.
Rev. 8	05/12/09	Incorporated new functionality.
Rev. 9	10/1/10	Incorporated new technology.
Rev. 10	11/5/10	Incorporated Change Request H0007

Functional Requirements Document Authorization Memorandum

I have carefully assessed the Functional Requirements Document for the Extensions and Variances Automated Requests System (EVARS). This document has been completed in accordance with the requirements of the HUD System Development Methodology.

MANAGEMENT CERTIFICATION - Please check the appropriate statement.

_____ The document is accepted.

_____ The document is accepted pending the changes noted.

_____ The document is not accepted.

We fully accept the changes as needed improvements and authorize initiation of work to proceed. Based on our authority and judgment, the continued operation of this system is authorized.

_____ _____
Felicia Jones, Deputy Director DATE
United States Department of Housing and Urban Development

_____ _____
Jennifer M. Fingerlin DATE
Government Technical Representative

_____ _____
Sharon Lundstrom DATE
Director

_____ _____
Alexina Person, Contract Manager DATE
C&L Service Corporation

_____ _____
Cesar A. Gonzales, Chief Technology Officer DATE
For C&L Service Corporation

FUNCTIONAL REQUIREMENTS DOCUMENT

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1.0 GENERAL INFORMATION

1.0 GENERAL INFORMATION

1.1 Purpose

The Functional Requirements Document (FRD) defines the functional requirements for a web-based automated system for the extensions and variances process.

1.2 Scope

The Extensions and Variances Automated Requests System (EVARS) will automate the current manual process of reviewing, approving, and denying extensions for initiation of foreclosure by servicing lenders and requests for variances.

The extensions apply to HUD's Insured Title II and HECM Insured loan programs which provide specific time frames for initiation of foreclosure by servicing lenders. When circumstances prevent initiating foreclosure by those deadlines, servicing lenders may request an extension, which avoids curtailment of their debenture interest on future claims. A lender must complete form HUD-50012 Mortgagee's Request for Extensions of Time to request an extension.

The variances program allows lenders to request for a variance when guidelines may otherwise prohibit the use of loss mitigation tools. The lenders must complete form HUD-90041 Request for Variance.

These two forms – HUD-50012 Mortgagee's Request for Extensions of Time and HUD-90041 Request for Variance will be automated by developing a web-based application that lenders will access via the World Wide Web to complete and submit the forms to HUD for extensions and variances.

The EVARS shall provide the capability to:

1.2.1. Access to the FHA Connection portal. The FHA Connection provides FHA-approved lenders and business partners with direct, secure, online access to computer systems of the U.S. Department of Housing and Urban Development (HUD). FHA-approved lenders use the FHA Connection for originating and servicing FHA-insured single family home mortgages and updating their lender information. It is expected that the FHA Connection will filter inquiries and only permit authorized mortgagees access to the system. The entry into the system will constitute validation and signature for any required forms. The HUD-50012 will be accessed electronically while online, and CLS will provide the means for the user to complete and submit the required form electronically. It is anticipated that this will be a two step process. The information on the top portion of the form – Mortgagee's Name and Address, Mortgagor's Name and Property Address, Mortgage Loan Number, and FHA Case Number – will be automatically verified with the data from Single Family Insurance System (SFIS). Should there be any discrepancies between the information in SFIS and that submitted by the Mortgage, the program will request clarification and not accept the request. These items would include incorrect mortgagee, incorrect mortgagor, failure of case number and address to agree, and other similar items.

1.2.2. Provide validation that all required input fields in the forms are complete and accurate. Validation shall be performed before form submittal. Validation shall include the internal logic of the

request; for example, if checking a particular item but the required information is not provided on the input field, HUD designed business rules shall be applied to the submitted information and shall be used to approve or deny the request.

1.2.3. Approved requests are forwarded to HUD for approval and signature based on HUD's business rules. HUD shall release, sign, and fax the forms to the appropriate party. The approved form will be referred to an employee and managed under Phase III. Information about the requests will be posted to the mortgagee's inbox.

1.2.4. Require that certain information be imaged and tied with the application for forms not approved. The provision for imaging the information and tying it to the form must be programmed at this time.

1.2.5. Provide printing access to lenders for a period of 18 months after submission for forms that are accepted by HUD. During this period, they shall be able to print the form at any time.

1.2.6. Track rejected requests for extensions to determine the reason for rejection, which shall be used by HUD to determine training needs.

1.2.7. Track how often an extension request is made on a particular loan and shall flag that loan for follow-up after a second submission.

1.2.8. Develop and prepare management reports in accordance with HUD's requests to monitor rejected extensions. These reports shall be accessible to HUD designated users and if desired, by the individual lender.

1.2.9. Have reports and all forms submitted kept available for 18 months after submission.

1.2.10. Prepare and have accessible a manual that explains how to perform various actions.

1.2.11. Create a variance log with HUD defined parameters. This log will be able to provide reports.

1.3 Project References

References
EVARS Functional Requirements Document
EVARS Technical Proposal
HUD Standard Procedures Documents

1.4 Acronyms and Abbreviations

Acronyms	Definitions
CLS	C&L Service Corporation
COTS	Commercial-of-the Shelf
DBMS	Database Management System
DDR	Dial-on Demand Routing
EIDE	Enhanced Integrated Development Environment
EVARS	Extensions and Variances Automated Requests System
FHA	Federal Housing Authority

Acronyms	Definitions
GB	Gigabyte
HTML	Hyper Text Markup Language
HTTP	Hyper Text Transfer Protocol
HTTPS	Secure Hyper Text Transfer Protocol
HUD	Housing and Urban Development
IP	Internet Protocol
IS	Information System
ISP	Internet Service Provider
ISS	Internet Security Systems
IT	Information Technology
LAN	Local Area Network
OS	Operating System
PC	Personal Computer
RAM	Random Access Memory
SFIS	Single Family Insurance System
SQL	Sequential Query Language
TCP	Transmission Control Protocol
URL	Uniform Resource Locator
WAN	Wide Area Network

1.5 Points of Contact

1.5.1 Information

Name	Point of Contact	Department	Telephone Number	E-mail Address
Felicia B. Jones	HUD	NSC	918-292-8958	Felicia.B.Jones@hud.gov
Jennifer M. Fingerlin	HUD	NSC	918-292-8966	Jennifer.M.Fingerlin@hud.gov
Cesar A. Gonzales	C&L Service Corporation	IT	757-605-9114	cgonzales@syntech.net
Paul Joyner	C&L Service Corporation	IT	757-605-9116	pjoyner@syntech.net
Alexina Person	C& L service Corporation	Contract Manager	918-935-2901	zperson@clstulsa.org

1.5.2 Coordination

Organization	Support Function
HUD/NSC	Business Requirements Support, Project Management
HUD IT	Implementation Coordination
C&L Service Corporation	Requirements, Design, Development, Testing, Installation, Deployment, Maintenance, Technical Support/Operations, Project Management

2.0 CURRENT SYSTEM SUMMARY

2.0 CURRENT SYSTEM SUMMARY

2.1 Background

The current process for reviewing, approving, or denying extensions and variances is completely manual.

2.2 System Objectives and Current Functionality

There is no automated system that is currently implemented.

2.3 Current Methods and Procedures

The current methods for handling extensions and variances include the use of the HUD-50012 and HUD-90041 forms which are submitted via mail or fax and checked against established business rules and guidelines. Requests for extensions and variances are tracked and manually entered in a spreadsheet.

2.3.1 Equipment Being Used

PC, Workstation or Laptop equipped with a spreadsheet program.

2.3.2 Input and Output

Process is completely manual.

2.3.3 Provisions in the Existing System Design

None

2.3.4 Deficiencies

The current method and procedures for reviewing, approving, and tracking extensions and variances is time consuming and prone to errors. Lenders are required to manually fill out forms and mail or fax them to HUD. The flexibility of real-time requests for extensions and variances is lacking. The manual approach is limited in tracking lenders requests and is prone to human errors. Data and information can easily be tampered with and modified. There are no security measures in protecting the integrity of the data in the spreadsheets.

3.0 PROPOSED METHODS AND PROCEDURES

3.0 PROPOSED METHODS AND PROCEDURES

The proposed methods and procedures for the EVARS will provide web-based, real-time access to lenders for requests of extensions of time and variances. Lenders shall have the ability to fill out forms HUD-50012 Mortgagee's Request for Extensions of Time and HUD-90041 Request for Variance. In the interim, HUD shall provide a monthly data dump of the SFIS data. The data shall be loaded into the EVARS database as a reference table from which to verify lenders' information and populate required form fields of the system. Another data dump containing lenders' information shall be provided by HUD and refreshed every six months.

The system shall verify and validate lenders' FHA Case Number against the Single Family Insurance System (SFIS) data for the FHA loan types. For the HECM loans, a monthly data dump from the SMART system shall be provided. The data shall be loaded into the EVARS database as a reference table for verifying users' information when requesting extension of time on HECM loans. Should there be any discrepancies between the information entered by a lender in the EVARS and the reference tables, clarification and additional information shall be requested and the request shall not be accepted by EVARS. In addition to the FHA Case Number, all required input fields shall be validated before forms can be submitted.

The system shall approve and forward requests to HUD for final review, approval and signature. The approved form shall be posted to the mortgagee's inbox. Information on accepted forms shall be accessible in the system for viewing and printing by the lender for a period of 18 months after submission.

Forms not approved by the system shall be forwarded to an employee and shall have certain information imaged and tied to the application. Information about the denied request shall be posted to a mortgagee's inbox. Rejected requests for extensions shall be tracked to determine the reasons for rejections and shall be used to determine training needs.

A valid 5-digit lender ID must be provided during the registration. The system shall validate the lender ID against the lender reference table in the database.

The system shall have the capability to accept registration from lenders.

The system shall allow up to 130 users to register for a particular lender.

HUD shall inform CLS when a user needs to be deactivated in the system.

Once the limit of 130 is reached for a particular lender, the system shall reject all subsequent registration for that particular lender.

Prior to submission of registration, a user shall agree to User Agreement and Security Agreement disclaimers.

Once the registration is completed, validated, and submitted, an email shall be generated to HUD administrators for approval.

HUD appointed administrators shall have the ability to access the system and approve or deny a registration.

When a request is approved by HUD through the system administrator's interface, a confirmation message shall be displayed to the administrator that the user has been approved and logon information has been sent to the user.

An email that contains the new user 3-digit code, unique user name and password shall be generated and sent out to the approved user.

The unique 3-digit user code shall be randomly system generated for each approved user. The code shall contain no leading zeros.

Unique user ID shall be system generated and could be a combination of a user's first and last names, and date of birth.

Password shall be system generated. The password shall be a combination of 8 alphanumeric characters.

User shall be forced to change their password at the first successful logon using their system generated password. During the password change process a user shall be asked to choose from a list of generic security questions and to provide answer to the question chosen.

The question and answer combination shall be used as a security measure if a user forgets their password and requests to have password emailed to them.

The system shall have password changes capability for approved users with valid logons.

The system shall allow users to request for their forgotten password. To request forgotten password, a user must provide a valid email address, user ID and the correct answer to the provided to selected security question during forced password change. If correct information is provided, password shall be emailed to user.

If provided information does not match database entry, user shall be redirected to the registration page and they will have to re-register and get approved by HUD to use the system.

Approved lenders shall logon at the first layer of authentication with their 5- 10 digit lender ID. Once lender ID is authenticated, lender shall be directed to the second layer logon screen where they will be required to provide their 3-digit unique code and combination of the unique user ID and system-generated password for the first time, subsequent logon shall be with the password the user has provided.

If a user enters an invalid Lender ID, they shall have 2 additional tries to enter a valid ID, after the third failed attempt, users shall be displayed a message to the effect" You Lender ID could not be verified. Please call: 1-877-622-8668 to have your account unlocked. Users may also email the support team at support@hudtulsa.org

User Interactions

When a lender inputs a FHA case # into the system, the system validates that the case # is valid or is available to the lender. Since only delinquent case #s are available in EVARS, when a case # is not found, the system shall prompt the user to submit a manual input through the system.

The manual input shall consist of the borrower information, which shall be saved in the database and linked to the lender submitting the information. Once the borrower information is entered and saved, the user shall proceed to request and extension or variance through the normal processing.

The system shall allow lenders to enter subsequent request number if they have submitted an extension/variance previously on the same loan or select Initial Request, if the request is the first on a loan.
The system shall track the number of extensions requests on a particular loan.

An HECM initial request shall go through the business logic and the system will determine if to approve, reject, or forward to a review queue based on the business rules.

All subsequent HECM requests shall be routed to the contractor reviewers for approval or denial.

FHA Loan requests, with the exceptions of the following, shall be routed to HUD reviewers for further review and resolution:

Requests on FHA Loan extension type #1 where 'Reason for Delay' is 'Missing Docs/Assignment' or 'Delay of Recording' shall be auto denied.

Subsequent requests #2 or greater shall bypass business rules and be routed to HUD for review.

For Extension type #2 (HECM), maximum subsequent request allowed is 1. 2 or more subsequent requests are routed to contractor reviewers for review.

The system interface should contain a selection of two Variance types: HUD-90041 form for Pre-Foreclosure Sale and Other Variance.

HUD Administrators will have the capability of editing submitted Variances.

Reports

The system shall have ad hoc management reports available to designated HUD users and if desired, individual lenders.

The system shall have reports and all forms accessible for a period of 18 months.

Form HUD-90041 report format should not contain any modifications from the paper form.

A variance log shall be created with predefined parameters. These logs shall be capable of providing reports.

System generated reference number shall be assigned to all submitted variance.

Variance Pre-Foreclosure form shall be redesigned to fit the new form which became effective on December 24, 2008 per Mortgagee Letter 2008-043.

Reports shall be accessible by HUD Administrators or designees. The current reports include: 10% of Randomly Chosen Approved FHA Loan Extension Requests; 10% of Randomly Chosen Rejected FHA Loan Extension Requests; 10% of Randomly Chosen Approved HECM Loan Extension Requests; 10% of Randomly Chosen Rejected HECM Extension Requests; Extension Reports – filtered by Date Ranges, Lender, Type, Subsequent Request #, State, City, Zip Code, Status; Variance Reports – filtered by Date Ranges, Lender, Type, Subsequent Request #, State, City, Zip Code, Status; and Workflow report breakdown of requests submitted and number of requests worked by reviewers within a given period.

HUD Administrators

HUD Administrators shall have the capability of editing submitted Variances.

HUD Administrators shall have the capability to print submitted/completed Variance forms in a report format.

HUD Administrators shall have the capability of adding new HUD and Contractor reviewers and administrators to the system.

HUD Administrators shall have the ability to enable/disable a reviewer in the system.

HUD Administrators shall assign sequence numbers to enabled reviewers.

The system shall rotate submitted extensions among the enabled reviewers. If an enabled reviewer in the rotation queue is disabled, then the rotation shall be among the remaining enable reviewers.

HUD Administrators shall have the ability to replicate a lender by submitting extension and variance requests.

If a reviewer is disabled by an administrator, the system shall bypass the disabled reviewer and rotate submitted extensions among those reviewers that are enabled in the same sequence.

HUD Administrators shall have all reviewers' access rights.

HUD Administrators shall have the ability to reassign cases by transferring a reviewer's inbox to another reviewer.

HUD Administrators shall have the ability to assign and modify reviewers' sequence number or priority order.

HUD Administrators shall have the ability to enable/disable a reviewer to submit extensions and variances on a lender's behalf.

HUD Administrators shall have the ability to enable/disable a reviewer as an Administrator.

HUD Administrators shall have the ability to add/update/delete reviewers and administrators.

If a reviewer or administrator is deleted from the system, their record should still be retained in the database. A delete flag shall be added to the database so that "deleted" reviewers do not show up on any administrative or reviewer's modules.

The delete functionality supersedes the "disabled" functionality. Prior to deletion, a confirmation prompt should be displayed to the administrator. It should ask "Are you sure you would like to delete "First Name Last Name" as a reviewer?

HUD Reviewers

HUD Reviewers shall have the ability to change extension length (days) requested by lender.

HUD Reviewers shall have the ability to override the subsequent request number provided by a lender during extension/variance request.

HUD Reviewers shall have the ability to enter the date for 'Last Extension Expiration Date' when applicable.

HUD Reviewers shall have the ability to enter the date for 'First Legal Date'.

HUD Reviewers shall have the ability to enter the date for 'Extension End Date' if extension is being approved.

HUD Reviewers shall have the ability to select a denial reason from a list of denials when an extension/variance is being denied.

Reviewers' inbox should be the main page displayed once a reviewer successfully logs in.

The reviewers' inbox should have the combined extensions and variances pending requests displayed.

The system shall automatically display the next pending requests once a reviewer has finished reviewing a selected request.

Contractor Administrators

Contractor Administrators shall have the capability of editing submitted HECM extensions.

Contractor Administrators shall have the capability to print submitted/completed Extension of Time Form HUD-50012 in a report format.

Contractor Administrators shall have the capability of adding new contractor reviewers to the system.

Contractor Administrators shall have the ability to enable/disable contractor reviewers in the system.

The system shall rotate submitted extensions among the enabled reviewers. If an enabled reviewer in the rotation queue is disabled, then the rotation shall be among the remaining enable reviewers.

If a reviewer is disabled by an administrator, the system shall bypass the disabled reviewer and rotate submitted extensions among those reviewers that are enabled in the same sequence.

Contractor Administrators shall have all reviewers' access rights.

Contractor Administrators shall have the ability to reassign cases by transferring a reviewer's inbox to another reviewer.

Contractor Administrators shall have the ability to add/update/delete contractor reviewers.

If a reviewer or administrator is deleted from the system, their record should still be retained in the database. A delete flag shall be added to the database so that "deleted" reviewers do not show up on any administrative or reviewer's modules.

The delete functionality supersedes the "disabled" functionality. Prior to deletion, a confirmation prompt should be displayed to the administrator. It should ask "Are you sure you would like to delete "First Name Last Name" as a reviewer?

Contractor Reviewers

Contractor Reviewers will have the ability to override the subsequent request number provided by a lender during extension/variance request. Contractor Reviewers shall have the ability to review, approve, or reject HECM submissions.

Contractor Reviewers will have the ability to select a denial reason from a list of denials when an extension is being denied. Contractor Reviewers' inbox should be the main page displayed once a reviewer successfully logs in.

The contractor reviewers' inbox should have the pending extensions requests displayed.

The system shall automatically display the next pending requests once a reviewer has finished reviewing a selected request.

3.1 Summary of Requirements

3.1.1 Functional Requirements

- Lenders shall have the ability to access the EVARS via the World Wide Web to request for extensions by filling out HUD-50012 and request for variance by filling out HUD-90014.

- Lenders Mortgage Loan Number and FHA Case Number shall be automatically verified against SFIS data dump. Should there be any discrepancies between the information in SFIS and that submitted by the Mortgagor, the program shall request clarification and not accept request. These items would include incorrect mortgagee, incorrect mortgagor, failure of case number, and address to agree and other similar items.

- Validation of data entered through the system shall be performed before form submittal. Validation shall include the internal logic of the request; for example, if checking a particular item but the required information is not provided on the input field, HUD designed business rules shall be applied to the submitted information and shall be used to approve or deny the request.

- Address fields shall be auto-populated once a lender input their FHA Case and Mortgage Loan Number and the system verify and validate the input.

- If a lender logs into the system, but the system remains idle for a period of 20 minutes, the system shall time-out their session.

- The system shall flag 10% of all approved and rejected cases for HUD review.

- Cases may be denied or rejected if they fail to meet predefined form input validation process and if they fail programmed business rules. Cases that fail the business rules shall be routed to HUD for further review and lenders shall be notify that their application is rejected.

- HUD approved personnel shall have the ability to login to the system and approve or deny new registered users.

- When a request is approved by HUD through the system administrator's interface, a confirmation message shall be displayed to the administrator that the user has been approved and logon information has been sent to the user.

- An email that contains the following user information shall be generated and sent out to the approved user:

    - Unique 3-digit user code
    - Unique user ID
    - System-generated password.

- Unique user ID shall be system-generated and would be in this format: first letter of a user's first name + first 3 letters of a user's last name + day (dd) and month (mm) of the user's birth.

- HUD approved personnel shall have the ability to log into the system to view cases that have being rejected based on business rules.

- HUD approved personnel shall have the ability to search through cases by providing a date, range of dates, and by selecting "Rejected" or "Approved" from an interface in the system.

- Electronic signature of the reviewer that has approved/rejected an extension and/or variance shall be embedded on the form HUD-50012 and HUD-90041. This functionality shall replace the need to generate transmittal reports.

- Transmittal functionality shall be disabled in the system.

- Lenders shall be assigned system-generated password for accessing their inboxes. At the initial logon with the system-generated password, lenders will be prompted to change their passwords.

- A user shall be forced to change their password at the first successful logon using their system-generated password. During the password change process a user shall be asked to choose from a list of generic questions and to provide answer to the question chosen.

  The question and answer combination shall be used as a security measure if a user forgets their password and requests to have password emailed to them. Some questions that can be asked include:

  - In what city where you born?
  - What is your pet's name?
  - What is the model of your first car?
  - What is your favorite color?
  - What is the name of your High School?

- Passwords shall consist of 8 characters that are a combination of letters, 2 numbers, and special characters.

- Lenders shall authorize up to 130 employees to access the system. A 3-digit unique ID plus a lender 5-digit lender's ID shall be assigned to each of the authorized employee.

- Notification of users to be deactivated in the systems shall be forwarded to HUD and CLS. CLS has the authority to disable a user when notified by lender that a user should be deactivated.

- Once the limit of 130 employees is reached for a particular lender, the system shall reject all subsequent registration.

- Prior to submission of registration, a user shall check a "checkbox" agreeing to abide by the usage rules and security measures of the system. A user cannot complete registration until the agreement checkbox is checked.

- If a lender does not access the system for a period of 45 days, they shall be prompted to change their password.

- The system shall approve, deny, or route extension requests based on HUD's defined business rules. Information about the requests shall be posted to the mortgagee's inbox.

- The system shall not make any decisions on variance requests. All variance requests shall be routed to contractor inbox for review.

- The system shall have the capability to allow users to attach documents to all their requests. Cases with attachments shall by-pass programmed business rules and be routed to CLS personnel for further review.

- The system shall display submitted dates for both extensions and variances. The submitted date shall be visible to all users on the extension and variance forms.

- Lenders shall have access to their submitted requests and HUD forms for a period of 18 months from the date of submission. During this period, they shall be able to print the forms at any time.

- Rejected requests for extensions shall be tracked by the system to determine the reason for rejection and this shall be used by HUD to determine training needs.

- The system shall track how often an extension request is made on a particular loan and shall flag any resubmitted requests for follow up action by HUD.

- The system shall make modifications to the Extensions of Time HUD-50012 form. The modifications are currently not captured on the form, but are part of the business rules.

- The system shall not allow lenders to submit duplicate requests on the same day for the same FHA case number on an Extension or Variance.

- The system shall not allow lenders to submit a subsequent extension or variance request if there is a pending request in the system on a FHA case number.

- Management reports shall be prepared and developed in accordance with HUD's requests to monitor rejected extensions. These reports shall be accessible to HUD designated users and if desired, by the individual lender.

- Reports and all forms submitted through the system shall be accessible for 18 months after submission.

- A users' manual that explains how to perform various actions shall be prepared and accessible through the system.

- A Julian calendar shall be available to all users on the menu once logged in.

- A dictionary of frequently used words and abbreviations shall be available to all users on the menu once logged in.

- A variance log shall be developed with HUD defined parameters. This log shall be capable of providing reports.

3.1.2 Improvements to Existing Capabilities

Evars Data Load Process:

HECM_Ref
HECM_Ref derives its data from SMART_PROD.dbo.a_loan open loans, where loan_program_skey is 20.
This is accomplished by the following:

1) Begin Tranaction
2) Truncate HECM_Ref
3) Insert HECM_Ref from a_loan
4) Commit

The import file contains records that correspond to HECM_Ref. These records are removed prior to refreshing A43_Ref.

A43_Ref
The downloaded file contains at least one record for the loans it represents. For this reason, we must exclude all but the most recent record for each loan.
Thereafter, we must update all existing records and insert any new records. This is accomplished by the following:

1) Delete records that exist in HECM_Ref
2) Delete records that are older duplicates within download file
3) Begin Transaction
4) Delete records in A43_Ref that are also in download file
5) Insert entirety of remaining download file records into A43_Ref
6) Commit

Change Request H0007 (11-5-2010)
EVARS now provides a real-time update in SMART to capture all extension requests that are received and reviewed. This update creates an “auto-note” in SMART with the decision that was rendered in each loan and the date of the decision. This “auto-note” will document the extension request and the decision to the servicer. Approved extensions will note the approval date and the extension expiration date. Denied requests will record the denied decision. The HUD reference will be noted on all requests.

3.1.3 Timeliness

- The EVARS shall have a fast response time by tasking the database for most of the queries that is needed to run the application.

- Database tables shall be indexed to make searches and processes faster.

- The application shall provide standard response time of 2 seconds or less per page load by utilizing effective web page design, minimizing the use of large resolution images.

- Enough bandwidth shall be available so that at peak time, the system will respond just as it does when there are fewer users accessing the application.

- Regular load balancing and performance testing and tuning shall be conducted as part of routine maintenance and modifications to codes and database design shall be performed if and when needed.

3.2 Summary of Impacts

3.2.1 User Organizational Impacts

No elimination of responsibilities is envisioned for system administrators; HUD requests reviewers, or other personnel.

3.2.2 User Operational Impacts

The EVARS shall be designed to make its usage and operation easy and to minimize training requirements for lenders and other users. The system shall have a user-friendly, intuitive interface. The system shall be designed to be flexible, modular, and expandable. The number of users accessing the system simultaneously shall not affect performance and response time of the proposed system.

3.2.3 User Developmental Impacts

The sponsor/user shall provide all forms to be automated and additional data and information that will be needed to develop the system.

3.3 Assumptions and Constraints

- The EVARS shall be developed using web application middleware program ColdFusion MX 9.

- The backend Database Management System (DBMS) used for data storage will be Microsoft SQL Server 2005.

- Use of other programming and imaging tools shall be determined and utilized as required.

- EVARS shall be housed at the CLS site and at the disaster recovery center in Virginia Beach, Va.

- All data and application backup and security will be provided by CLS.

- CLS shall provide technical and helpdesk support for the system.

4.0 DETAILED CHARACTERISTICS

4.0 DETAILED CHARACTERISTICS

4.1 Specific Performance Requirements

- EVARS shall be functional twenty-four hours a day, seven days a week to serve the dispersed lender community.
- EVARS shall provide convenient, user-friendly interfaces that minimize the need for end user and administrator training.
- User menu options and navigation shall reflect the users' expectation and incorporate appropriate HUD terminology.
- EVARS shall provide online capability when network connectivity exists.
- EVARS shall support offline capability at the local level, synchronizing databases with the Data Center when connectivity is restored.
- EVARS shall provide requests for extensions and variances forms, reports, and present menu and user interfaces in accordance with user privileges.
- EVARS shall accommodate multiple independent users simultaneously.
- EVARS shall easily support expansion as the requirements for the system functionalities change and grow and usage of the system increases accordingly without degradation of service as perceived by the user.
- EVARS shall be programmed to accept scanned attachments from users.

4.1.1 Accuracy and Validity

Mortgage Loan Number and FHA Case Number shall be validated against the SFIS. All data input shall be validated using client side validations. Address shall be auto-populated once FHA Case number and Mortgage Loan number is verified and validate. Users will be forced to input predefined data type into input form.

4.1.2 Timing

- The EVARS shall meet timing requirements on the hardware and operating system.
- The EVARS shall meet timing requirements while supporting the maximum rated number of users.
- The EVARS shall meet timing requirements for 95% of all operations; that is, no more than 5% of the operations may exceed the stated time limit.

- The EVARS shall respond to all user inputs that do not require the loading of an HTML page within one second for 95% of all user input or field editing operations.

- The EVARS shall respond to all user inputs which require the loading of a new HTML page within 10 seconds - the page must be loaded into the browser and viewable - for 95% of all user input or editing operations, with the exception of reports.

4.1.3 Capacity Limits

The EVARS operation shall assume constrained bandwidth conditions and shall be able to handle 200 users simultaneously. The system shall be monitored regularly for degradation in performance and upgraded as needed.

4.2 Functional Area System Functions

Administration

- **User Access -** EVARS shall provide for the identification and authentication of valid users before providing access to the system. Validity shall be determined by comparing the lenders Lender ID and unique 3-digit code against data in the SFIS and EVARS users' database. Once the user's lender ID and code are validated, they will be prompted for their user ID and password combination. Administrators and reviewers shall be authenticated by the system. Data will be entered through the user's browser. Remote users shall connect directly to the EVARS via their Internet Service Provider (ISP) and the World Wide Web. EVARS website is https://evars.hudtulsa.org

- **User Profiles -** Once a lender has been authenticated, lender profiles are retrieved from the database.

- **Assignment or Roles and Privileges** - Assigned user roles shall dictate user privileges. A user may be assigned to multiple roles allowing each user to serve in one or more roles as an administrator, lender, reviewer, etc. A user with multiple roles while logged-in as a lender shall retain only lender privileges. General roles include, but are not limited to:

- **Lender** – A lender is authorized access to submit requests for extensions and variances. Lenders may view items, their inbox, print submitted forms, and other information. A lender may authorize up to 130 employees to have access to the system. Lenders' 5-10 digit ID plus a unique 3-digit ID shall be assigned to each designated employee. Lenders shall be able to view requests submitted by all other employees of the same organization in the lender's inbox.
  Certain lenders shall be allowed to register in the system multiple times using different lender IDs.

- **HUD Reviewer** – A user assigned reviewer status may view any lenders inbox and information, but shall not be able to change or edit lenders submitted data. Reviewer can also be an Administrator. Can replicate a lender by entering extension and variance requests.

- **Contractor Reviewer** - A user assigned contractor reviewer status shall have the ability to review some of the extensions that the business logic specifies to be routed to contractor reviewers and all variances submitted through the system.

- **System Administrator** – A user with assigned responsibility for general system administration shall have access to lenders inboxes and management reporting tools. He shall have the ability to approve or deny new user registration, request scheduled or ad hoc reports on the status of the system or individual lenders. Administrators shall have the ability to enable/disable reviewers and reassign cases in the system, grant administrative rights to reviewers, set sequence number, and can replicate a lender by entering extension and variance requests.

- **Developer** – A developer is a user with the responsibility for developing the system and content and may be able to perform all roles specified above as authorized.

HUD-50012 Mortgagee's Request for Extensions of Time Form

- Lenders shall have the ability to select a choice of either FHA Case loan or HECM loan on which to submit an extension.

- If the FHA Case loan type is selected, a lender shall have the option to select from the following extension types: #1, 7, and 8.

- If the HECM loan type is selected, a lender shall have the option to request just the extension type #2.

- Data shall be entered manually by the lender. Input data shall be validated against SFIS data dump and business rules for accuracy.

- Unsuccessful requests shall generate and return appropriate responses to the lender citing the reason for failure. Successful requests shall be processed according to defined business rules.

HUD-90041 Request for Variance Form

- Lenders shall have the ability to select a choice of either a Pre-foreclosure Sale Procedure or Other on which to submit a variance.

- Data shall be entered manually by the lenders. Input data shall be validated against the SFIS data dump and business rules for accuracy.

- Variance requests shall bypass all business rules and be routed to HUD reviewers for review.

- Unsuccessful requests shall generate and return appropriate responses to the lender citing the reason for failure. Successful requests shall be processed, recorded in the database and forwarded to the HUD for review and final resolution

Launch and Control

- EVARS shall be capable of launching web-based forms, reports, and logs. All services shall be accessible from a user's web browser.

- EVARS shall provide the capability for all users to launch and view all forms, reports, and logs that are within the scope of the privileges of the user to access. For lenders, this includes their inboxes and information regarding submitted requests.

- EVARS shall track the requests for extensions that are rejected to determine the cause and this tracking shall be used by HUD to determine training needs.

- EVARS shall not allow unauthenticated users to access lenders inboxes and management reports.

- During the log-in process, the delivered lender profile data will include the latest bookmarks recorded during the lender's last use of the system

Cataloging

- EVARS shall log requests for variances with HUD predefined parameters.

- Information on accepted forms shall be accessible for viewing and printing for a period of 18 months from the time of submission.

- Information on rejected extensions shall be accessible for viewing and printing by authorized users for a period of 18 months from the time of submission.

- Reports prepared in accordance with HUD's requests to monitor rejected extensions shall be accessible and printable by authorized users for a period of 18 months from the time of submission.

Reports

- Reports shall be generated by logs using HUD predefined parameters.

- EVARS administrator shall be able to respond to ad hoc queries applicable to system and resource usage/scheduling.

4.3 Input and Output

- EVARS shall gather data from lenders to populate extensions and variances forms.

- EVARS shall forward collected information to HUD personnel for review, approval, and rejection.

- Requests status shall be available through the EVARS lenders inboxes.

- EVARS shall accept input from the user's browser and provide appropriate responses to requests to the same.

- EVARS shall generate and deliver reports to authorized users as required.

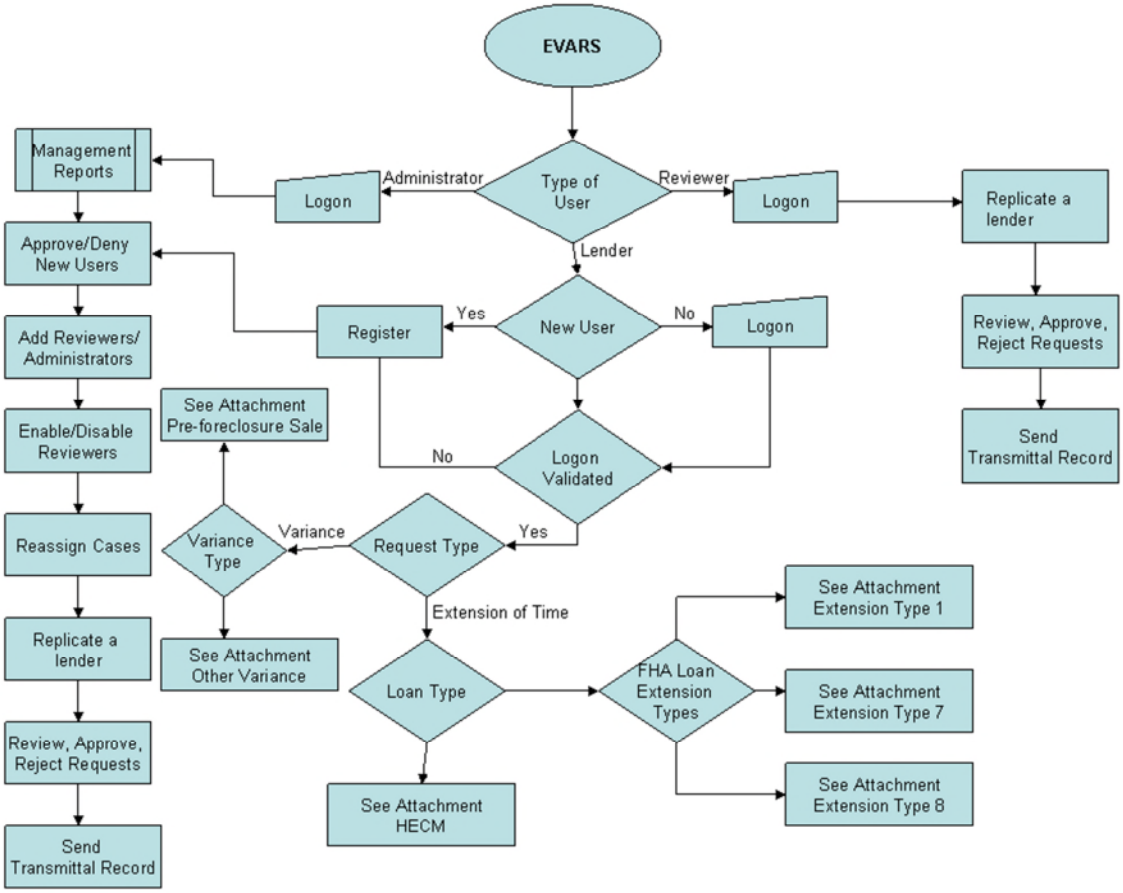
4.4 Failure Contingencies

- Backup: EVARS shall provide nightly backup of database and application onsite. Additionally it is backed up to Barracuda Networks secure servers over the internet and replicated at the disaster recovery site in Virginia Beach, Va.
- SLA: A service level agreement with the Internet Service Provider, EasyTEL Communications, Inc. is in place and guarantees 99.999% uptime.

5.0 DESIGN CONSIDERATIONS

5.0 DESIGN CONSIDERATIONS

5.1 System Description



5.2 System Functions

- EVARS shall provide capabilities for requests for extensions and variances by lenders, reviewers, and administrators through via the World Wide Web.
- EVARS shall allow users with valid lender ID to fill out and submit registration.
- EVARS shall track the number of users registered for a particular lender.
- A maximum of -130 lenders are allowed to register for a particular lender ID.
- When the maximum number registration is reached for a particular lender, the system shall reject all subsequent registration.

- EVARS shall provide the capability for HUD approved administrators to access the system and approve or reject a registered user.

- When a user is approved through the system administrator interface, an email containing a 3-digit code, unique user name and password shall be generated and sent to the user.

- Lenders FHA Case Number shall be validated against the SFIS before requests can be accessed or completed.

- EVARS shall track accepted and rejected submissions and generate management reports in accordance with HUD's requests to monitor extensions.

- EVARS shall have accepted and rejected requests accessible and printable to authorized users for a period of 18 months.

- The EVARS shall allow reviewers and administrators to view requests and generate reports.

5.3 Flexibility

- EVARS shall accommodate multiple independent users simultaneously and be capable of supporting variable operational configurations due to the different user populations.

- EVARS shall easily support expansion as the system requirements and functionalities grow and use of the system increase accordingly.

- EVARS shall accommodate expansion without degradation of service as perceived by the user.

6.0 ENVIRONMENT

6.0 ENVIRONMENT

6.1 Equipment Environment

The hardware equipment environment consists of the following:

- O/S Windows 2003 Standard with IIS 6
- Virtual Server utilizing VMware
- Primary Connectivity: 1 GB
- Firewall: Sonicwall NSA 2400 UTM

6.2 Software Environment

This system will be developed on:

- ColdFusion MX 9
- Microsoft SQL Server 2005
- Other tools shall be utilized as needed

6.3 Communications Requirements

6.3.1 Communications Overview

The EVARS shall depend on the CLS communication network infrastructure for LAN connectivity between the web-based system and local servers. Remote users shall have access to the EVARS servers via the World Wide Web. A service level agreement with the Internet Service Provider, EasyTEL Communications, Inc. is in place and guarantees 99.999% uptime.

6.3.2 Communications Hardware

The EVARS shall depend on the CLS communications network and workstation LAN adapters for connectivity between system components. There are no additional hardware requirements.

6.3.3 Communications Software

The EVARS user browser shall be vendor and version independent to support communications over standard TCP ports supported by the CLS network infrastructure. The EVARS shall support the use of third-party communication applications, such as e-mail and chat.

6.4 Interfaces

The EVARS shall communicate over existing network circuits using only the following standard and product based protocols and TCP port numbers:

- HTTP - Port 80
- HTTPS – Port 443
- SQL Server – Port 1433

6.5 Summary of Impacts

6.5.1 IS Organizational Impacts

No elimination of responsibilities is envisioned for system administrators, requests reviewers, or managers.

6.5.2 IS Operational Impacts

CLS shall coordinate with the Data Center on any operational impacts that may arise.

6.5.3 IS Developmental Impacts

The system shall be designed, developed, tested, deployed, and maintained by a developer at the CLS location. Additional testing shall be done by HUD at the completion of CLS testing. All data and data elements provided shall be converted to SQL Server database. HUD-50012 and HUD-90041 forms shall be automated and made web-accessible.

6.6 Failure Contingencies

EVARS shall provide daily back-up both at CLS and at the disaster recovery site in the Virginia Beach, Va. location. In the event of a local LAN failure at CLS, the disaster recovery center will synchronize with the CLS servers when services are restored.

6.6.1 Restart/Recovery

Daily backup of the system will provide restart/recovery in the event of failure.

6.6.2 Other Contingencies

- EVARS is backed up daily onsite, backed up via the internet to the Barracuda Networks secured servers, and constantly replicated at the disaster recovery site in Virginia Beach, Va.

- Documentation will be stored onsite in a fireproof cabinet.

6.7 Assumptions and Constraints

The following are assumptions or constraints for EVARS:

- EVARS shall support online operations.

- EVARS shall support offline operations by providing locally stored forms and reports to the appropriate personnel if connectivity is lost.

- EVARS must be scalable and flexible enough to allow for minor and major revisions.

- EVARS application must be Section 508 compliant.

- EVARS shall operate on a multi-tiered architecture, multi-tiered meaning browser-based clients, middleware applications, and separate database architecture.

- EVARS shall use the CLS communications infrastructure that provides WAN and LAN connections.

7.0 SECURITY

7.0 SECURITY

The security architecture of EVARS is designed to protect the information stored in the database subsystem and their transactions according to the security and privacy requirements. EVARS shall operate within the security architecture of CLS and prevent access to unauthorized users. For additional security, EVARS is accessed through the https protocol.

7.1 Background Information

The system shall be accessible through a hyperlink on the HUD website and CLS website. Lenders shall be required to input their lender ID, unique 3-digit code, and FHA Case Number. The FHA Case Number and lender ID shall be validated against the SFIS data dump and lender ID before further access is granted to the system. Administrators and reviewers shall be authenticated by the system before they can view or update any information. Other roles shall be assigned as required.

7.2 Control Points, Vulnerabilities, and Safeguards

7.2.1 Control Points

- Lenders must agree to security rules by checking a “Checkbox” during registration.
- Lenders must agree to adhere to users’ agreement by checking a “Checkbox” during registration.
- At the point of entry to the system, users that need to change or update data shall be authenticated. Certain data, such as mortgagee’s inbox shall be tied to the lender’s mortgage loan number and FHA case number and shall be viewable only to the specific lender.
- Lenders shall be prompted to renew their passwords after 60 days of inactivity in the system.
- The system shall time out a user’s session after 20 minutes of idle time.

7.2.1.1 Input Control Points

- Origin: Logon Screen, Registration Screen, Extensions Request Screen, Variances Request Screen, Reporting Screens.
- Data Entry: Users browsers will connect to EVARS via the World Wide Web.
- Disposition: Data entered through the system shall be recorded to appropriate tables in the EVARS database.
- Error Correction: At the data entry point, entries shall be validated using client-side validation techniques. Users must correct errors before they can submit their entries to the database.

7.2.1.2 Process Control Points

- Accuracy and Completeness: EVARS shall validate data input and check for accuracy and completeness as input is entered into form and at the final submittal of collected data.
- System Interface: None at this time.

7.2.1.3 Output Control Points

- Production: Internet Browsers.
- Distribution: Data accessed through EVARS by authorized users can be downloaded and printed. At the end of a user's session, when the browser is closed or the URL is changed to another website, EVARS browser session shall be terminated. A user will have to logon again to gain access to the system.

7.2.2 Vulnerabilities

- Unauthorized access to a user's computer, Lender ID and unique 3-digit code, FHA Case Number and password information.
- Spyware technologies that monitor keystrokes on user's computer.
- Logon information left unprotected.

7.2.3 Safeguards

- Users' computers would need to be safeguarded against spyware technologies to avoid their authentication information being captured by unauthorized users.
- Logon information should be protected and not openly displayed.
- Mortgage Loan Numbers and FHA Case Numbers should be protected and not openly displayed.

7.2.3.1 Administrative Safeguards

- Personnel: Lenders, Administrators, Reviewers, Managers.
- Collection and Preparation: Users must be authenticated before entering and editing data in the system. All data input is validated before being written to the database.
- Environmental Constraints: None.
- Distribution: None.
- Access/Permission: Users are granted permissions based on their roles. Lenders have read/write access to their specific information and inboxes. Lenders may not view other lenders' information and inboxes. Management reports are accessible to only HUD designated personnel and lenders.

7.2.3.2 Physical Safeguards

- Dedicated Equipment: Server with Raid 5 for tolerance. Redundant server components such as power supplies, hard disk RAID technology, Enterprise class Storage Area Network (SAN) with redundant controllers and, power supplies, along with telecommunication circuits that maximize availability. All inbound and outbound connectivity is performed using Virtual Private Network (VPN) Tunnels.

- Storage and Protection: Daily system backup to a Barracuda Networks 390 backup appliance. In addition, a backup is sent to Barracuda Networks secured servers over the internet and a replicated copy is maintained at the disaster recovery site in Virginia Beach, Va. Onsite storage includes a natural gas generator to insure 24x7 up time. Documentation stored in a fireproof cabinet onsite.

7.2.3.3 Technical Safeguards

- User Access: Multiple layer users' logon is checked against information in the database.
- Process Safeguards: All data input form entries are validated.
- Security Identification Requirements: None.

7.3 System Monitoring and Auditing

7.3.1 Journalizing

- Rejected requests for extensions shall be tracked by the system to determine the reason for rejection. This tracking information shall be used by HUD to determine training needs.

- The system shall track how often an extension request is made on a particular loan and shall flag the loan for follow-up after a second submission.

- HUD personnel shall have the ability search by lender, approved, rejected, and submission dates, then view/print a transmittal record by lender.

- The transmittal record shall contain lender name, Point of Contact, Address, FHA Case Number, Mortgage Loan Number, homeowner's addresses, status of the request, extension expiration date, reference number, name of reviewer, title of reviewer, and date reviewed.

- Management reports shall be prepared in accordance with HUD's requests to monitor rejected extensions.

- A variance log with HUD defined parameters shall be used to provide reports.

- Information on approved requests shall be posted on a lender's inbox.

- Certain information shall be imaged and tied to application forms that are rejected or not approved.

7.3.1.1 Triggering Criteria

- Accessing the system and entering a lender ID plus unique 3-digit user code shall trigger the system to validate a lender's authorized user code. If the lender ID plus the 3-digit code verify successfully, a user shall be prompted for a username and password. Lender ID and FHA Case Number shall be validated against the SFIS data dump. Should there be discrepancies between

the information in SFIS and that submitted by the lender, the system shall request clarification and requests shall not be accepted.

- All forms shall be made available for a period of 18 months from the date of submission.
- Rejected requests for extensions shall be tracked by the system to determine the reason for rejection.
- Business rules validation shall be applied to submitted information and shall be used to approve or reject a request.

7.3.1.2 Identification Information

- Lender ID
- Date of Submission.
- Mortgage Loan Number.
- FHA Case Number.
- Mortgagee.
- Mortgagor.
- Address.

7.3.1.3 Application Data

- User logon.
- Date of Submission.
- Mortgage Loan Number.
- FHA Case Number.
- Application Status.

7.3.1.4 Journal Use

- Accessing requests for extensions and variances based on logon authentication.
- Variance log shall be used to provide reports.
- Rejected extensions used to determine training needs.

7.3.2 Audit Trail

None at this time.

7.3.2.1 Transactions Back to Original Source Documents

None at this time.

7.3.2.2 Transactions Forward to Summary Totals

None at this time.

7.3.2.3 Summary Totals Back to Component Transactions

None at this time.

7.3.2.4 All Record Disposition Schedules

Data shall remain active and accessible for a period of 18 months from the date of submission and be archived for at least 3 Years.

Attachment 6

Quality Assurance Surveillance Plan (QASP)
SMART – Business Service Provider

August 23, 2016

Version 1.1

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Quality Assurance Surveillance Plan (QASP)

1 Vision

Obtain specialized Business Service Provider (BSP) to provide loan servicing services, online training and customer support as well as a state-of-the-art web-based and rule-based technology to support current and future initiatives and requirements with a customized business intelligence architecture.

1 INTRODUCTION

This Quality Assurance Surveillance Plan (QASP) is pursuant to the requirements listed in the Performance Work Statement (PWS) entitled Single Family Mortgage Asset Recovery Technology (SMART). This plan sets forth the procedures and guidelines the HUD National Servicing Center (NSC) will use in ensuring the required performance standards or service levels are achieved by the Contractor.

1.1 Purpose

1.1.1 The purpose of the QASP is to describe the systematic methods used to monitor performance and to identify the required documentation and the resources to be employed. The QASP provides a means for evaluating whether the Contractor is meeting the performance standards/quality levels identified in the PWS and the Contractor's Quality Control Plan (QCP), and to ensure that the Government pays only for the level of services received.
1.1.2 This QASP defines the roles and responsibilities of all members of the Integrated Project Team (IPT), identifies the performance objectives, defines the methodologies used to monitor and evaluate the Contractor's performance, describes quality assurance documentation requirements, and describes the analysis of quality assurance monitoring results.

1.2 Performance Management Approach

1.2.1 The PWS structures the acquisition around "what service or quality level is required", as opposed to "how the Contractor should perform the work" (i.e., results, not compliance). This QASP will define the performance management approach taken by the NSC to monitor and manage the Contractor's performance to ensure the expected outcomes or performance objectives communicated in the PWS are achieved. Performance management rests on developing a capability to review and analyze information generated through performance assessment. The ability to make decisions based on the analysis of performance data is the cornerstone of performance management; this analysis yields information that indicates whether expected outcomes for the project are being achieved by the Contractor.
1.2.2 Performance management represents a significant shift from the more traditional Quality Assurance (QA) concepts in several ways. Performance management focuses on assessing whether outcomes are being achieved and to what extent. This approach migrates away from scrutiny of compliance with the processes and practices used to achieve the outcome. A performance-based approach enables the Contractor to play a large role in how the work is performed, as long as the proposed processes are within the stated constraints. The only exceptions to process reviews are those required by law (federal, state, and local) and compelling

business situations, such as safety and health. A "results focus" provides the Contractor flexibility to continuously improve and innovate over the course of the contract as long as the critical outcomes expected are being achieved and/or the desired performance levels are being met.

1.3 Performance Management Strategy

1.3.1 The Contractor is responsible for the quality of all work performed. The Contractor measures that quality through the Contractor's own Quality Control (QC) program. QC is work output, not workers, and therefore includes all work performed under this contract regardless of whether the work is performed by Contractor employees or by subcontractors. The Contractor's QCP will set forth the staffing and procedures for self-inspecting the quality, timeliness, responsiveness, customer satisfaction, and other performance requirements in the PWS. The Contractor will develop and implement a performance management system with processes to assess and report its performance to the designated government representative. This QASP enables the Government to take advantage of the Contractor's QC program.
1.3.2 The Government representative(s) will monitor performance and review performance reports furnished by the Contractor to determine how the Contractor is performing against communicated performance objectives. The Contractor will be responsible for making required changes in processes and practices to ensure performance is managed effectively.

2 ROLES AND RESPONSIBILITIES

The following personnel shall oversee and coordinate surveillance activities.

2.1 The Contracting Officer

The Contracting Officer (CO) is responsible for monitoring contract compliance, contract administration, and cost control and for resolving any differences between the observations documented by the Government Technical Representative (GTR) and the Contractor. The CO will designate one full-time GTR as the government authority for performance management. The number of additional representatives serving as technical inspectors depends on the complexity of the services measured, as well as the Contractor's performance, and must be identified and designated by the CO.

2.2 The Government Technical Representative

The GTR is designated in writing by the CO to act as his or her authorized representative to assist in administering a contract. GTR limitations are contained in the written appointment letter. The GTR is responsible for technical administration of the project and ensures proper government surveillance of the Contractor's performance. The GTR is not empowered to make any contractual commitments or to authorize any contractual changes on the Government's behalf. Any changes that the Contractor deems may affect contract price, terms, or conditions, shall be referred to the CO for action. The GTR will have the responsibility for completing QA monitoring forms used to document the inspection and evaluation of the Contractor's work performance. Government surveillance may occur under the inspection of services clause for any service relating to the contract.

3 IDENTIFICATION OF REQUIRED PERFORMANCE STANDARDS/QUALITY LEVELS

The required performance standards and/or quality levels are included in the PWS and in Appendix 1, "Surveillance Matrix". If the Contractor meets the required service or performance level, it will be paid the monthly amount agreed on in the contract.

4 METHODOLOGIES TO MONITOR PERFORMANCE

4.1 Surveillance Techniques

In an effort to minimize the performance management burden, simplified surveillance methods shall be used by the Government to evaluate Contractor performance when appropriate. The primary methods of surveillance are:

- 100% Inspection - Each month, the GTR, shall review the generated documentation and enter summary results into the Surveillance Activity Checklist.
- Periodic Inspection - The GTR typically performs the periodic inspection on a monthly basis.
- Customer Feedback

4.2 Customer Feedback

The Contractor is expected to establish and maintain professional communication between its employees and customers. The primary objective of this communication is customer satisfaction. Customer satisfaction is the most significant external indicator of the success and effectiveness of all services provided and can be measured through customer complaints.

Performance management drives the Contractor to be customer focused through initially and internally addressing customer complaints and investigating the issues and/or problems. The customer always has the option to communicate complaints to the CO and/or GTR, as opposed to the Contractor.

Customer complaints, to be considered valid, must set forth clearly and in writing the detailed nature of the complaint, must be signed, and must be forwarded to the GTR.

Customer feedback may also be obtained either from the results of formal customer satisfaction surveys or from random customer complaints.

4.3 Acceptable Quality Levels

The Acceptable Quality Levels (AQLs) included in Appendix 1, "Surveillance Matrix", for Contractor performance are structured to allow the Contractor to manage how the work is performed. For certain critical activities such as those involving the evaluation and validation of internal controls and processes to mitigate risk, the desired performance level is established at 100 percent. Other levels of performance are keyed to the relative importance of the task to the overall mission performance.

5 QUALITY ASSURANCE DOCUMENTATION

5.1 The Performance Management Feedback Loop

The performance management feedback loop begins with the communication of expected outcomes. Performance standards are expressed in the PWS and are assessed using the performance monitoring techniques shown in Appendix 1.

5.2 Monitoring Forms

The Government's QA surveillance, accomplished by the GTR, may be reported using the following monitoring forms: Appendix 2 - "Corrective Action Report (CAR)", Appendix 3 - "Customer Complaint Record", and Appendix 4 "Performance Assessment Report" (PAR). The forms, when completed, will document the Government's assessment of the Contractor's performance under the contract to ensure that the required results are being achieved. The GTR will retain a copy of all completed QA surveillance forms.

6 ANALYSIS OF QUALITY ASSURANCE ASSESSEMENT

6.1 Determining Performance

The Government will use the monitoring methods cited to determine whether the performance standards/service levels/AQLs have been met. If the Contractor has not met the minimum requirements, it may be asked to develop a corrective action plan to show how and by what date it intends to bring performance up to the required levels.

6.2 Reporting

At the end of each month, the GTM will prepare a written report for the GTM summarizing the overall results of the quality assurance surveillance of the Contractor's performance. This written report, which includes the Contractor's submitted monthly report and the completed quality assurance monitoring forms, will become part of the QA documentation. It will enable the Government to demonstrate whether the Contractor is meeting the stated objectives and/or performance standards, including cost/technical/scheduling objectives.

6.3 Reviews and Resolution

6.3.1 The GTR may require the Contractor's project manager, or a designated alternate, to meet with the CO, GTM and/or other Government IPT personnel as deemed necessary to discuss performance evaluation. The GTR will define a frequency of in-depth reviews with the Contractor, including appropriate self-assessments by the Contractor; however, if the need arises, the Contractor will meet with the GTR as often as required or per the Contractor's request. The agenda of the reviews may include:

- Monthly performance assessment data and trend analysis,
- Issues and concerns of both parties,
- Projected outlook for upcoming months and progress against expected trends, including a corrective action plan analysis,

Recommendations for improved efficiency and/or effectiveness

6.3.2 The CO and GTR must coordinate and communicate with the Contractor to resolve issues and concerns regarding marginal or unacceptable performance.
6.3.3 The GTR and Contractor should jointly formulate tactical and long-term courses of action. Decisions regarding changes to metrics, thresholds, or service levels should be clearly documented. Changes to service levels, procedures, and metrics will be incorporated as a contract modification at the discretion of the CO.

6.4 Surveillance Matrix

The Surveillance Matrix (Appendix 1) is the list of performance objectives and standards that must be performed by the Contractor. This matrix details the method of surveillance the GTR will use to validate and inspect these performance elements. Inspection of each element will be documented in the GTR file.
Performance objectives define the desired outcomes. Performance standards define the level of service required under the contract to successfully meet the performance objective. The inspection methodology defines how, when, and what will be assessed in measuring performance. The Government performs surveillance, using this QASP, to determine the quality of the Contractor's performance as it relates to the performance element standards. The PRS should be used to form the foundation of the GTR's inspection checklist.

In evaluating the quality of contractor's performance, the following performance ratings may be used.
[If your organization requires that you use a different rating mechanism, insert it here.]

Performance Rating	**Criteria**
Excellent / Outstanding	Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor was highly effective.
Very Good	Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor was effective.
Satisfactory	Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.
Marginal	Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.
Unsatisfactory	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Appendix 1 - Surveillance Matrix

Statements	Standards/AQLs	Inspections	Ratings
5.1 Transition In/Conversion			
5.1.1 Phase One - BSP System Preparation			
5.1.1.1 Implementation Plan <u>Deliverables:</u> A001 Implementation Plan	**a)** The Contractor will deliver a draft Implementation Plan thirty (30) calendar days from the effective date of the contract. **AQL:** within forty-five (45) calendar days from the effective date of the contract.	**What:** Implementation Plan **How:** review the deliverable **Frequency:** upon completion **Who:** GTR and (CO) **Standard(s):** Inspection applies to all standards	
5.1.1.1.1 The Implementation Plan shall clearly describe the conversion efforts, and shall include:	**a)** The Contractor shall deliver an updated and approved Implementation Plan within forty-five (45) calendar days from the effective date of the contract. **AQL:** no deviation.	**What:** Implementation Plan **How:** review the deliverable **Frequency:** upon completion **Who:** GTR and (CO) **Standard(s):** Inspection applies to all standards GTR/GTM any given users **Standard(s):** Inspection applies to all standards	
5.1.1.1.2 To accomplish a seamless conversion, at a minimum, the following efforts are expected:	**a)** The Contractor shall establish websites and SMART BSP function within ninety (90) calendar days from the effective date of the contract. **AQL:** within one hundred twenty (120) calendar days from the effective date of	**What:** Implementation Plan Deliverables, access to the system **How:** access to the systems **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users	

	the contract.	**Standard(s):** Inspection applies to all standards	
5.1.1.1.3 BSP Architecture Information <u>Deliverables</u> A002 Configuration Management Plan	**a)** The Contractor shall comply with HUDs EA information. **AQL:** no deviation	**What:** Deliverables **How:** BSP infrastructure is established **Who:** GTRS and/or CO **Standard(s):** Inspection applies to all standards	
5.1.1.1.4 BSP Architecture <u>Deliverables</u> A003 BSP Architecture	**a)** The Contractor shall complete the establishment of its physical infrastructure according HUD's IT infrastructure and standard. **AQL:** no deviation **b)** The Contractor shall develop, configure, deliver and implement BSP Infrastructure within sixty (60) calendar days from the effective date of the contract. **AQL:** within seventy-five (75) days from the effective date of the contract.	**What:** Deliverables **How:** BSP Architecture is established **Who:** GTRS and/or CO **Standard(s):** Inspection applies to all standards	
5.1.1.1.1.5 Web Information	**a)** The Contractor shall provide specialized web hosting in accordance with HUD standards. **AQL:** no deviation **b)** The Contractor shall develop, configure, deliver and implement web hosting service within sixty (60) calendar days from the effective date of the contract. **AQL:** within seventy-five (75) days from the effective date of the contract.	**What:** Deliverables **How:** Reviewing of the websites and connections **Who:** GTR and/or CO **Standard(s):** Inspection applies to all standards	
5.1.1.1.6 Web Hosting	**a)** The Contractor shall provide web-based and rule-based services. **AQL:** No deviation	**What:** Deliverables **How:** GTR/GTM **Frequency:** upon completion	

<u>Deliverables</u> A004 A Web Hosting Service that is FedRAMP certified	**b)** The Contractor shall develop, configure, test, deliver and implement web hosting service within sixty (60) calendar days from the effective date of the contract. **AQL:** within seventy-five (75) days from the effective date of the contract. **c)** The Contractor shall provide a secure and remotely accessible through a cloud computing environment that is FedRAMP certified. **AQL:** no deviation. **d)** The Contractor shall maintain and provide secure access without interruption to EVARS (https://evars.hudtulsa.org) and ECLASS (https://eclass.hudtulsa.org) as soon as the transfer of the websites from the retiring contractor complete. **AQL:** no deviation.	**Who:** GTR/GTM **Standard(s):** Inspection applies to all standards	
5.1.1.1.7 VPN Connectivity	**a)** The Contractor shall comply with HUDs EA information. **AQL:** no deviation **b)** Installation of the VPN Tunnel is taken place within 60 calendar days from the effective date of the contract. **AQL:** within seventy-five (75) calendar days from the effective date of the contract.	**What:** Deliverables **How:** Secure VPN Connection established. **Frequency:** upon completion **Who:** GTR and/or CO **Standard(s):** Inspection applies to all standards	
5.1.1.1.8 Password Administration - Role Based Access	**a)** The Contractor shall create an audit trail. **AQL:** No deviation **b)** The Contractor shall develop	**What:** Deliverables **How:** reviewing of the tables **Frequency:** Continuous **Who:** GTR/GTM	

<u>Deliverables:</u> A005 E-Authentication A006 Security Profiles and Audit	customized user profiles adhering to all federal guidelines. **AQL:** 100% Compliant with all Regulations **c)** The Contractor will utilize the same user identification number ID and password in order to accommodate a single sign-on requirement. **AQL:** 100% Compliant with all Regulations **d)** The Contract shall create and setup different user profiles based on HUD's guidance and business processes within sixty (60) days from the effective date of the contract. **AQL:** within ninety (90) calendar days from the effective date of the contract.	any given users **Standard(s):** Inspection applies to all standards	
5.1.1.1.9 Telecommunications Hook-Ups, Etc. <u>Deliverables:</u> A026 A007 Telecommunication Hookups	**a)** The Contractor shall acquire a toll free telephone which will become a HUD owned-toll free telephone number and develop a help desk email and physical addresses within sixty (60) calendar days from the effective date of the contract. **AQL:** within seventy-five (75) calendar days from the effective date of the contract **b)** The Contractor shall develop a customer helpdesk email and physical addresses within sixty (60) calendar days from the effective date of the contract. **AQL:** within seventy-five (75) calendar	**What:** review quarterly to determine status of telecommunication system throughout the quarter and all Deliverables **How:** review quarterly to determine status of telecommunication system throughout the quarter **Frequency:** quarter report **Who:** CO and/or GTR **Disincentive:** The contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractor's telecommunications system was inoperable during the quarter. For	

	days from the effective date of the contract **c)** Standard: The telecommunication system maintains an operational capability 100% of the time, except during periods of approved documented scheduled maintenance. **AQL:** Scheduled maintenance shall be approved by the GTR no later than 48 hours prior to downtime	example, if the system were down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%. Disincentive provisions relating to maintaining continuous telecommunications systems shall not be applied to specific events arising solely from Force Majeure conditions. **Standard(s):** Inspection applies to all standards	
5.1.1.1.10 Conversion <u>Deliverables:</u> A008 Conversion	**a)** The contractor shall receive and process data from incumbent and any other from internal and external HUD system within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** within one hundred and fifty (150) calendar days from the effective date of the contract **b)** The Contractor shall perform close scrutiny of the business rules, report format and functionality during the	**What:** Deliverables **How:** reviewing deliverables **Frequency:** Continuous **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards - - - - - - - **What:** Deliverables **How:** deliverables **Frequency:** Continuous **Who:** CO and/or GTR GTR/GTM	

	conversion period and shall enhance reports, if necessary, that are already in use by HUD from in the retiring contractor within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** within one hundred and fifty (150) calendar days from the effective date of the contract. **c)** The Contractor shall begin converting all data, sequels, business rules and flat files from retiring contractor to the new platform during the conversion period within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** within one hundred and fifty (150) calendar days from the effective date of the contract. **d)** The Contractor shall convert all database/files/reports/programs/procedures from existing systems including SMART/EVARS/ECLASS to a new platform/application within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** within one hundred and fifty (150) calendar days from the effective date of the contract. **e)** The Contractor shall convert and deliver these functions including SMART (See Specific Task 5.2 SMART), Accounting (See Specific	any given users **Standard(s):** Inspection applies to all standards	

	Task 5.5 Accounting) and Customer Support (See Specific Task 5.6 Customer Support) of the new system that are ready for operation within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** no deviation. **f)** The Contractor shall convert and deliver these functions including EVARS (See Specific Task 5.3 EVARS) and ECLASS (See Specific Task 5.4 ECLASS) of the new system that are ready for operation within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** within one hundred and fifty (150) calendar days from the effective date of the contract.		
5.1.2 Phase Two			
5.1.2.1 Complete Infrastructure	**a)** The Contractor shall provide complete infrastructure within sixty (60) calendar days from the effective date of the contract. **AQL:** within ninety (90) calendar days from the effective date of the contract	**What:** Deliverables **How:** complete access of the new system **Frequency:** upon completion **Who:** CO and/or GTR **Standard(s):** Inspection applies to all standards	
5.1.2.2 Fully Operational and Training of the New System <u>Deliverables:</u>	**a)** All BSP functions shall be fully operational at one hundred fifty-one (151) calendar days from the effective date of the contract **AQL:** no deviation	**What:** Deliverables **How:** SMART/EVARS/ECLASS/Customer Support systems **Frequency:** upon completion	

A009 Training of the New System (Formal Training – Training during Transition)		**Who:** CO and/or GTR GTR and/or CO **Standard(s):** Inspection applies to all standards	
5.1.2.3 Contract Performance	**a)** Contractor's performance is measured based on deliverables specified in the PWS requirements. **AQL:** Contractor shall comply with the PWS requirements.	**What:** Deliverables **How:** reviewing deliverables **Frequency:** upon completion and thereafter **Who:** CO and/or GTR GTR/GTM **Standard(s):** Inspection applies to all standards	
5.1.3 Management Work Plan (MWP) <u>Deliverables:</u> A010 Management Work Plan (MWP)	**a)** The Contractor shall provide MWP thirty (30) calendar days from the effective date of the contract. **AQL:** within five (5) business days of approved change/extension	**What:** Deliverables **How:** reviewing the MWP **Frequency:** upon completion **Who:** CO and/or GTR **Standard(s):** Inspection applies to all standards	
5.1.4 Systems Security <u>Deliverables</u> A011 System Security Plan (SSP) A012 Independent System Test and Evaluation (ST&E) A013 Plan of Action and Milestones A014 Audit Report A015 Disaster Recovery Plan A016 Disaster Recovery Test Plan A017 Security Controls and Assessment Report (SCAR) A018 Risk Assessment A019 SSAE 16 Audit A020 Review of Business Process	**a)** The Contractor shall submit the SSP and Disaster Recovery Plan within thirty (30) calendar days from the effective date of the contract and updates provided not later than five (5) business days of any change. **AQL:** within forty-five (45) calendar days from the effective date of the contract. **b)** System Tests and Reports must be submitted not later than five (5) business days from request. **AQL:** within seven (7) business days from request.		

Controls A021 Certification and Accreditation (C&A) A022 Internal Controls Assessment			
5.1.5 Continuity of Operations Plan (COOP) <u>Deliverables:</u> A023 COOP	**a)** The Contractor shall provide a specific written COOP within thirty (30) calendar days from the effective date of the contract. **AQL:** within forty-five (45) calendar days from the effective date of the contract	**What:** Deliverables **How:** reviewing COOP **Frequency:** upon completion **Who:** CO and/or GTR **Standard(s):** Inspection applies to all standards	
5.1.6 Quality Control Plan (QCP) <u>Deliverables:</u> A024 Quality Control Plan (QCP)	**a)** The Contractor shall provide QCP within ten (10) calendar days after the post award conference. **AQL:** (20) calendar days after the post award conference.	**What:** Deliverables **How:** reviewing QCP **Frequency:** upon completion and thereafter **Who:** CO and/or GTR **Standard(s):** Inspection applies to all standards	
5.1.6.1 Performance Report and Debriefing <u>Deliverables</u> A025 Performance Report and Debriefing			
5.1.6.2 Corrective Actions <u>Deliverables</u>			

A026 Corrective Actions			
5.1.6.3 Status Meetings <u>Deliverables</u> A027 Status Meetings			
5.1.6.4 Monthly Accomplishment Reports and Quarterly Progress Reports <u>Deliverables</u> A028 Monthly Progress Report A029 Quarterly Progress Report (for special project)	**a)** The Contractor shall provide monthly progress report by the fifth (5th) business day of each month. **AQL:** by the seventh (7th) business day of each month.		
5.1.6.5 Quality Control Reviews and Summary Report <u>Deliverables</u> A030 Quality Control Reviews and Summary Report			
5.1.6.6 Quarterly Review <u>Deliverables</u> A031 Contractor Quarterly Self-Evaluation Performance	**a)** The contractor shall provide a self-evaluation to the GTR not later than ten (10) calendar days after the end of each calendar quarter. **AQL:** not later than fifteen (15) calendar days after the end of each calendar quarter.		
5.1.6.7 Executive Summary <u>Deliverables</u> A032 Executive Summary	**a)** The contractor shall provide an executive summary thirty (30) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter.		

A033 Memorandum by the Assistant Secretary Accepting the System for Operation A034 Memorandum of Understanding (MOU) or Equivalent	**AQL**: twenty (20) calendar days prior to the scheduled end of the Contract base period and each year-end thereafter.		

Statements	Standards/AQLs	Inspections	Ratings
5.2 Single Family Mortgage Asset Recovery Technology (SMART) <u>Deliverables:</u> A035 Single Family Mortgage Asset Recovery Technology (SMART)	**a)** The Contractor shall comply with HUDs EA information. **AQL:** 100% Compliant with all applicable regulations. **b)** The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **AQL:** No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.	**What:** Software Requirements Review **Frequency:** Randomly **Who:** GTR **Disincentive:** The contract payment will be reduced by a percentage that is directly proportional to the percentage of down time that the Contractor's operational capability was reported inoperable during the quarter. For example, if the system was down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%. **Standard(s):** Inspection applies to all standards	

5.2.1 The Contractor provides service and track servicing activities the Secretary Held portfolio excluding Reverse or HECM Mortgages and monitor contractor performance.	**a)** weekly and monthly reports **AQL:** 100% Compliant with all applicable regulations.	**Who:** GTR/GTM **Standard(s):** Inspection applies to all standards	
5.2.2 The Contractor shall provide storage capacity to store and maintain electronic of servicing files. The electronic files must include scanned, computerized notes documenting all servicing actions relating to the loan (loan history), electronically imaged copies of all documents generated by or relating to any servicing actions, and electronically imaged copies of all correspondence sent or received relating to the loan. The Contractor shall provide capability to track and log all activity of relating any electronic files.	**a)** The Contractor shall create storage capacity and audit log **AQL:** no deviation	**How:** deliverables **Frequency:** upon completion and thereafter **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards	
5.2.3 All files and data shall remain the property of HUD. All electronic files shall be accessible to HUD users according to the system defined user profiles. The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems.			
5.2.4 The Contractor shall provide an automated business processes and			

capability to perform comprehensive loan servicing requirements necessary to meet HUD guidelines for servicing the various HUD loan programs.			
5.2.5 The Contractor shall provide a system where users may access SMART over a LAN or remotely through a Cloud computing environment.	**a)** SMART system can be access through a secure FedRAMP. **AQL:** 100% Compliant with all applicable regulations.	**What:** Deliverables **How:** secure access **Who:** CO and/or GTR/GTM any given users **Standard(s):** Inspection applies to all standards	
5.2.6 The Contractor shall provide Internal Quality Control including designing, testing, and executing internal control processes, procedures, tracking mechanisms and performing reviews FHA-insured portfolios.	**a)** The Contractor shall comply with HUD guidelines and regulations **AQL:** 100% Compliant with all applicable regulations.	**What:** Deliverables **How:** system walkthrough and testing with contractor **Frequency:** Continuous **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards	

Statements	**Standards/AQLs**	**Inspections**	**Ratings**
5.3 Extensions and Variances Automated Requests System (EVARS) <u>Deliverables:</u> A036 Extensions and Variances Automated Requests System (EVARS)	**a)** - The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **AQL:** 100% Compliant with all applicable regulations.	**What:** Deliverables **How:** The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **Frequency:** Continuous **Who:** CO and/or GTR **Disincentive:** The contract payment will be reduced by a percentage that is directly proportional to the percentage of down time that the Contractor's operational capability was reported inoperable	

		during the quarter. For example, if the system was down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%. **Standard(s):** Inspection applies to all standards	
5.3.1 The Contractor shall develop a rule-based event-driven system to provide an automated process to allow lender to submit requests, review, or appeal of approval and rejection of extensions and variances related to various loan programs.	**a)** EVARS system is compatible with industry standard and compliant with HUD's IT guideline **AQL:** 100% Compliant with applicable regulations **b)** The Contractor shall provide web-based and rule-based services. **AQL:** 100% Compliant with applicable regulations	**What:** Deliverables **How:** secure access SMART/EVARS/ECLASS/Customer Support systems, system walkthrough and testing with contractor, reviewing deliverables **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users **Standard(s):** Inspection applies to all standards	
5.3.2 The Contractor shall provide a real-time web-based application which allows lenders to access via a secured World Wide Web from any device to complete	**a)** The Contractor shall utilize web-based and rule-based technology that meets HUD's IT requirements to create EVARS application. **AQL:** 100% Compliant with applicable	**What:** Deliverables **How:** complete access of the new system **Frequency:** Continuous **Who:** CO and/or GTR/GTM	

and submit forms to HUD for extensions and variances.	regulations	any given users **Standard(s):** Inspection applies to all standards	
5.3.3 The Contractor shall provide a capability to gather information needed for an extension of time or variance where the system is unable to make a determination and routed to appropriate HUD staff for review.			
5.3.4 The Contractor shall provide a capability for interface with internal HUD systems or any external systems specified by the GTR. The Contractor shall provide equipment and software that meet HUDs minimum system requirements.			
5.3.5 The Contractor shall provide a methodology to allow lenders to submit a file for extensions and variance requests. The Contractor shall process and upload a response file to the requested lender. The Contractor shall provide a capability to systematically verify and validate the submission and response files using EVARS and/or HUD databases. <u>Deliverables:</u> A037 Submission File for Extension Requests A038 Submission File for Variance Requests A039 Response File(s)	**a)** The Contractor shall verify and validate submitted file against EVARS/HUD database **AQL:** no deviation		

A027 Response File			
5.3.6 The Contractor shall provide capability to upload, export, report, notification, alert and email from EVARS system.	**a)** The Contractor shall comply with Section 508. **AQL:** 100% Compliant with applicable regulations **b)** EVARS systems should be standardized with industry standard and compliant with HUD's IT guideline **AQL:** 100% Compliant with applicable regulations	**What:** Deliverables **How:** complete access of the new system/reviewing deliverables **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users **Standard(s):** Inspection applies to all standards	
5.3.7 The Contractor shall maintain all features of the website insuring functionality, reliability, efficiency, and integrity of the structure.	**a)** The Contractor shall comply with Section 508. **AQL:** 100% Compliant with applicable regulations	**What:** Deliverables **How:** complete access of the new system reviewing deliverables **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users **Standard(s):** Inspection applies to all standards	

Statements	**Standards/AQLs**	**Inspections**	**Ratings**
5.4 Electronic Courses on Loss Mitigation and Servicing System (ECLASS) <u>Deliverables:</u> A040 Electronic Courses on Loss Mitigation and Servicing System (ECLASS)	**a) -** The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **AQL:** 100% Compliant with applicable regulations	**What:** Deliverables **How:** SMART/EVARS/ECLASS/Customer Support systems **Frequency:** Continuous **Who:** CO and/or GTR **Disincentive:** The contract payment will be reduced by a percentage that is directly proportional to the percentage of down time that the Contractor's operational capability was reported inoperable	

		during the quarter. For example, if the system was down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to Contractors monthly invoice = 3%. **Standard(s):** Inspection applies to all standards	
5.4.1 The Contractor shall provide FHA lenders, housing counseling agencies, HUD and other non-profit organizations a web-based interactive Servicing and Loss Mitigation training and notifications to various related conferences.	**a)** Online ECLASS training is compatible with industry standard. **AQL:** 100% Compliant with applicable regulations	**What:** Deliverables **How:** reviewing deliverables **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users **Standard(s):** Inspection applies to all standards	
5.4.2 The Contractor shall provide the instructors with the ability to record class attendance and test results online.			
5.4.3 The Contractor shall provide a real-time registration, tracking online attendance, status and progress of each class/module,			

keeping grades, certificate of completion.			
5.4.4 The Contractor shall provide an interactive, visual online training class and also flexibility to allow students schedule their training at anytime, anywhere on any device.			

Statements	Standards/AQLs	Inspections	Ratings
5.5 Accounting - Financial Functions <u>Deliverables:</u> A041 Federal Credit Reform Act and the US Standard General Ledger Accounting Transaction Format A042 Accounting and Financial Function/Module			
5.5.1 Manage the operations of financial activities - The Contractor shall provide a capability to manage the operations of financial activities a monthly basis to properly account for the Single Family secretary-held cases in inventory:			
5.5.2 The Contractor shall ensure and provide a capability to prepare proper and accurate proprietary and budgetary accounting transactions			
5.5.2.1 The Contractor shall provide the capability to record transactions in	**a)** The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business	**What:** Deliverables **How:** OMB and File Format **Frequency:** upon completion and	

conformity with accounting principles generally accepted in the United States of America applicable to Federal agencies (Fergal) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), adhere to Federal government accounting guidance issued by the Office of Management and Budget and ensure that all accounting transactions comply with the Office of Management and Budget's (OMB) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), OMB Circular A-123 Self-Assessment and OMB Circular A-127 Revised, Financial Management Systems. <u>Deliverables</u> A043 Financial Management System Assessment - A-127 Self-Assessment A044 OMB Circular A-127 Revised, Financial Management Systems A045 OMB Circular A-123 Self-Assessment	(FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems. **AQL:** 100% Compliant with applicable regulations	thereafter **Who:** GTR/GTM **Standard(s):** Inspection applies to all standards	
5.5.2.2 The Contractor shall use FHA-approved Posting Models to record all transactions including disbursement (accounts payable) and collection (accounts receivable) transactions. The FHA has approved posting models and will provide the most recent at the end of each			

fiscal quarter. The accounting GTM will notify the Contractor of any subsequent changes to FHAs approved Posting Models within five business days of the change.			
5.5.2.3 The Contractor shall record all accounting transactions according to FHAs implementation of the Federal Credit Reform Act and the US Standard General Ledger.	**a)** The Contractor shall record all accounting transactions according to FHAs implementation of the Federal Credit Reform Act and the US Standard General Ledger. **AQL:** No deviation.	**What:** Deliverables **How:** review the deliverable **Frequency:** upon completion and thereafter **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards	
5.5.2.3.1 The Contractor shall create entries by fund, risk category/section of the act, cohort year, etc. for each accounting area identified above.			
5.5.2.3.2 The Contractor shall provide the ability to add additional funds, fund attributes, risk categories, etc. as mandated by future legislation and/or policy changes.			
5.5.2.4 The Contractor shall provide the capability to develop and deliver accounting standards to:	**a)** The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems. **AQL:** No deviation.	**What:** Deliverables **How:** deliverables **Frequency:** upon completion and thereafter **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards	
5.5.2.5 The Contractor shall provide a capability to create roll forward account balances			

from the end of one fiscal year to establish beginning account balances for the new fiscal year.			
5.5.3 Interface transaction data files - The Contractor shall produce the transaction data file that will be interfaced into the Federal Housing Administration Subsidiary Ledger (FHASL) on a daily basis. <u>Deliverables:</u> A046 Data & File(s) Transfer	**a)** The Contractor shall comply with the Office of Management and Budgets (C) Financial Management Line of Business (FMLoB) requirements, the Federal Credit Reform Act of 1990 (FCRA), and OMB Circular A-127 Revised, Financial Management Systems. **AQL:** No deviation.	**What:** Deliverables **How:** deliverables **Frequency:** upon completion and thereafter **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards	
5.5.3.1 The Contractor shall use the FHA-approved interface file formats when creating interface files with the FHASL. The accounting GTM will notify the Contractor of any subsequent changes to FHAs approved file formats within five business days of the change.			
5.5.3.2 The Contractor shall verify that its interface files are compatible with the data elements referred to as chart fields used by the FHASLin all accounting ledgers as necessary			
5.5.3.3 The Contractor shall validate and report successful loading of interface files. In the event of unsuccessful loading of any interface file, the Contractor shall provide an automated failed interface report with specific error details for			

review by the Government. The Contractor shall then be required to resolve all interface loading errors within one business day.			
5.5.4 Create and/or modify various trial balance reports based on client needs per Treasury requirements - The Contractor shall create, maintain and/or modify trial balance reports within the subsidiary system			
5.5.5 Maintain subsidiary system crosswalk - The Contractor shall update the subsidiary systems crosswalk, as needed, by accounting area posting model(s), under the direction of the accounting GTM when requested by the General Ledger Division. Updates are required to maintain accurate posting of the FHASL file. The accounting GTM will provide most recent version of crosswalk and posting models at contract effective date.			
5.5.6 The Contractor shall provide quality assurance processes of the accounting functions.			
5.5.6.1 The Contractor shall generate month-end closing procedures to summarize all accounting transactions and transmit these transactions to the FHASL.			
5.5.6.2			

The Contractor shall close Accounting Period financial transactions in the Contractors business services General Ledger, and update the FHA General Ledger (FHASL).			
5.5.6.3 The Contractor shall validate transaction detail report activity against transaction data file activity prior to interface			
5.5.6.4 The Contractor shall validate transaction detail report activity against trial balance reports daily			

Statements	Standards/AQLs	Inspections	Ratings
5.6 Customer Support <u>Deliverables:</u> A047 Customer Support Module	**a)** The Contractor shall develop, specify and maintain different categories to appropriately address each business and technical functions of BSP including SMART/EVARS and ECLASS. **AQL:** No deviation.	**What:** Customer Support **How:** Customer Support setup **Frequency:** upon completion **Who:** GTR/GTM **Standard(s):** Inspection applies to all standards	
5.6.1 Customer Support Helpdesk <u>Deliverables</u> A048 Customer Support Helpdesk	**a)** The customer help desk phone number and email systems shall be operational within one hundred fifty (150) calendar days from contract the effective date of the contract and available during normal business hours seven (7) a.m. to seven (7) p.m. in geographical time zone **AQL:** no deviation		
5.6.2 Response Time	**a)** The average wait time for all callers who choose to speak to a Customer	**What:** Deliverables **How:** The average wait time for all	

	Service Representative shall be no more than one (1) minute for 75% of all calls received for the quarter. **AQL:** The wait time for all calls is no more than one (1) minute for 75% of all calls received for the quarter.	callers who choose to speak to a Customer Service Representative shall be no more than one (1) minute for 75% of all calls received for the quarter. **Frequency:** quarter report **Who:** CO and/or GTR **Disincentive:** For each 15-second increment in which the average wait time is longer than the standard, the Contractors invoice would be reduced by 1% on the applicable CLIN (the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter reviewed. In no event shall it exceed a maximum of 6% per quarter for the invoice) **Standard(s):** Inspection applies to all standards	
5.6.2.1 Customer Inquiries	**a)** The Contractor shall respond to telephone inquiries not later than 12 noon or one (1) business day of the date the call was placed to the Contractor's office. **AQL:** No deviation. **b)** The Contractor shall respond to written and electronic inquiries no later than two (2) business days following receipt of the inquiry. **AQL:** No deviation.	**What:** Deliverables **How:** reviewing deliverables **Frequency:** Randomly **Who:** GTR/GTM **Standard(s):** Inspection applies to all standards	
5.6.2.2. Governmental Inquiries	**a)** The Contractor shall notify the GTR not later than twenty-four (24) hours		

	following receipt of any request for information from an elected or public official. and shall, not later than two (2) business days of said request, provide written information to assist HUD in preparing a response. **AQL:** No deviation.		
5.6.3 The Contractor shall search databases for customer information, prior calls, and related issues; and provide appropriate assistance to the Customer. The Contractor shall escalate the call either warm or cold transfer to the appropriate HUD office if the Contractor determines HUD expertise is required to complete the call. When a call is transferred, the Contractor shall remain on the line until the connection to the transfer is completed. The Contractor shall document all calls for reporting and auditing purposes. The Contractor shall not transfer more than 20% of all calls.	**a)** The Contractor shall not transfer more than 20% of all calls. **AQL:** No deviation.	**What:** Deliverables **How:** deliverables **Frequency:** quarter report **Who:** GTR/GTM **Disincentive:** For each percent increment in which the transfer call is more than the standard, the Contractors invoice would be reduced by 1% on the applicable CLIN (the estimated quantity applicable to the quarter in which the disincentive is calculated) and applied to the quarter reviewed. In no event shall it exceed a maximum of 6% per quarter for the invoice) **Standard(s):** Inspection applies to all standards	
5.6.4 The Contractor shall gather basic information such as caller demographics, document the purpose of the call before transferring the call to NSC.			
5.6.5 The Contractor shall log all calls received and electronic messages forwarded from			

the National Servicing Center to the contractor's Customer Support as a separate call for each classified categories of the BSP.			
5.6.6 The Contractor shall provide capability to track all inbound and outbound calls and document correspondences.			
5.6.7 The Contractor shall provide written procedures and Help Desk Procedures and Frequently Asked Questions (FAQ) to assist all inbound inquires. <u>Deliverables:</u> A049 Help Desk Procedure and FAQ			

Statements	Standards/AQLs	Inspections	Ratings
5.7 Production Environment <u>Deliverables:</u> A050 Production Environment			
5.7.1 Audit Logs <u>Deliverables</u> A051 Audit Logs	**a)** The Contractor shall create storage capacity and audit log. **AQL:** no deviation		
5.7.1.1 Web Sites/Server Availability	**a)** The Contractor shall comply with HUDs EA information. **AQL:** 100% Compliant with applicable regulations	**What:** Deliverables **How:** The system shall maintain an operational capability 100% of the time, except during periods of	

	b) The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **AQL:** No deviation, except during periods of documented scheduled maintenance or in the event of Force Majeure.	documented scheduled maintenance or in the event of Force Majeure. **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users **Disincentive:** Contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractors system was inoperable during the quarter. For example, if the system were down for any reason for 60 hours during a quarter, the Contractors invoice would be reduced by 3% on the on the applicable CLIN as calculated as follows: Operational Hours in Quarter = 2160 [(30 calendar days times 24 hours)* 3 months] Downtime = 60. Percentage of downtime = 3% (60 divided by 2160 equals 2.7% rounded to nearest whole percentage). Reduction to monthly CLIN = 3%. **Standard(s):** Inspection applies to all standards	
5.7.1.2 Web Reliability	**a) -** The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **AQL:** No deviation, except during	**What:** Deliverables **How:** The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure.	

	periods of documented scheduled maintenance or in the event of Force Majeure. **b)** The Contractor shall comply with HUDs EA information. **AQL:** 100% Compliant with applicable regulations	**Frequency:** Continuous **Who:** CO and/or GTR GTR/GTM any given users **Disincentive:** Contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractors system was inoperable during the quarter. For example, if the system were down for any reason for 60 hours during a quarter except during periods of documented scheduled maintenance or in the event of Force Majeure, the Contractors invoice would be reduced by 3% on the on the applicable CLIN. **Standard(s):** Inspection applies to all standards	
5.7.1.3 Scheduled or Routine Maintenance	**a)** The Contractor shall perform scheduled maintenance not to exceed two (2) total hours of server unavailability per month. **AQL:** no deviation	**What:** Deliverables **How:** The system shall maintain an operational capability 100% of the time, except during periods of documented scheduled maintenance or in the event of Force Majeure. **Frequency:** Continuous **Who:** CO and/or GTR/GTM any given users **Disincentive:** Contract payment will be reduced by a percentage that is directly proportional to the percentage of time that the Contractors system was inoperable	

		during the quarter. For example, if the system were down for any reason for 60 hours during a quarter except during periods of documented scheduled maintenance or in the event of Force Majeure, the Contractors invoice would be reduced by 3% on the on the applicable CLIN. **Standard(s):** Inspection applies to all standards	
5.7.1.4 Web Enhancements			
5.7.2 Data Transfer and System Interface			
5.7.2.1 Data Transfer <u>Deliverables</u> A052 Data & File(s) Transfer	**a)** The Contractor shall extract, receive, process, and generate production data within forty five (45) calendar days from the effective date of the contract. **AQL:** within sixty (60) calendar day from the effective date of the contract.	**What:** Deliverables **How:** reviewing of database and deliverables **Frequency:** Continuous **Who:** CO and/or GTR GTR/GTM any given users **Standard(s):** Inspection applies to all standards	
5.7.2.2 System Interface			
5.7.2.2.1 Internal Interface			
5.7.2.2.2 External Interfaces			
5.7.3 Systems Upgrade			
5.7.4	**a)** the Contractor shall place a copy of		

Backup Services and Data Redundancy	the source code and compiled code, along with system documentation and the data already covered under the system rights clause, into an independent storage facility on a monthly basis **AQL:** No deviation. **b)** The Contractor shall ensure that HUD has ongoing direct access to a full backup copy of all data sets applicable to HUD systems that is no older than 7 days. **AQL:** No deviation.		

Statements	**Standards/AQLs**	**Inspections**	**Ratings**
5.8 Standard and Non-Standard Reports <u>Deliverables</u> A053 Report Module	**a)** The Contractor shall develop and deliver a Reports Module to allow users to generate reports for any functions/category set forth of the PWS and specific time frames. **AQL:** no deviation	**What:** Deliverables **How:** deliverables **Frequency:** Continuous **Who:** GTR/GTR and/or SME **Standard(s):** Inspection applies to all standards	
5.8.1 Contractor Accomplishments and Issues Report <u>Deliverables</u> A054 Status Reports - SMART/Customer Service/EVARS/ECLASS/Accounting Functions			
5.8.2 Standard Reports			
5.8.2.1 SMART			

5.8.2.1.1 The Contractor shall take phone calls from mortgagors concerning the sale of their loans, answer HUD-related questions or direct them to the appropriate purchaser and provide written responses addressing the delinquent status of the loans sold. The written responses, in some cases, shall require the Contractor to prepare and send a letter of explanation and payment history on the account, which shall include an explanation and payment history on the account. This shall include an explanation of the transaction/field codes to assist in interpreting the payment history. The Contractor shall make all documentation available for review at the request of the GTM/GTR.			
5.8.2.1.2 The Contractor shall investigate mortgagor complaints to determine if the purchaser is servicing the mortgage according to the loan sale agreement, notify the GTR or GTM in writing of any instances of loan sale agreement violations, and maintain a log of complaint calls received. The log of calls shall contain the mortgagors last name, account number and type of complaint indicating referral to GTR or GTM or resolution for preparation of monthly reports to the GTR or GTM. The	**a)** The Contractor shall gather mortgagor complaints to GTR or GTM by the tenth (10th) business of every month. **AQL:** No deviation.		

Contractor shall make all documentation available for review at the request of the GTM/GTR. <u>Deliverables:</u> A055 SMART – Monthly Mortgagor Complaint			
5.8.2.1.3 The Contractor shall perform quarterly analyses on all aging or non-performing accounts and shall generate statistics that provide a forecast of future account stability for the purpose of disposition. The Contractor shall maximize account resolutions every month to reduce cost and potential loss associated with aging and non-performing portfolios.			
5.8.2.1.4 The Contractor shall perform analysis and recommend alternative solutions to the GTR on the disposition of aging and non-performing accounts on an on-going basis to combat future risks and losses to HUD portfolio. <u>Deliverables</u> A056 SMART – Monthly Analysis of Non-Performing Accounts	**a)** The Contractor shall provide analysis by the ten (10th) business day of the month with a recommendation. **AQL:** No deviation.		
5.8.2.1.5 The Contractor shall provide the analytical information to support the recommended alternative solutions. Upon GTR approval, the Contractor shall process the alternative solution.			

5.8.2.1.6 The Contractor shall perform a monthly reconciliation of the portfolio to identify anomalies, recommend innovative options to resolve the anomalies to the GTR, and upon GTR approval, process the recommendation. <u>Deliverables</u> A057 SMART – Monthly Reconciliation Report	**a)** Reconciliation shall be completed by the fifth (5th) business day of the month **AQL:** No deviation.		
5.8.2.1.7 Information Status Reports <u>Deliverables</u> A058 SMART – Monthly Information Status Report(s)	**a)** The reports shall be available on the fifth (5th) business day every month. **AQL:** No deviation.		
5.8.2.2 EVARS <u>Deliverables</u> A059 EVARS – Weekly Submitted Extension and Variance Requests by Lenders/Users A060 EVARS – Monthly Submitted Extension and Variance Requests by Lenders/Users A061 EVARS – Weekly Status of Submitted Extension and Variance Requests by Lenders/Users A062 EVARS – Monthly Status of Submitted Extension and Variance Requests by Lenders/Users A063 EVARS – Workflow Report	**a)** Management Reports shall be delivered on following Monday for reporting period of prior week starting from last Monday to last Sunday, and the fifth (5th) business day every month for reporting period of the prior month. **AQL:** No deviation.		

A064 EVARS – Management Reports: Productivity Report A065 EVARS – Management Reports: Escalating Report A066 EVARS – Management Reports: Lenders Visit Report			
5.8.2.3 ECLASS <u>Deliverables</u> A067 ECLASS – Attendance Status A068 ECLASS – Online Registration Status	**a)** The Contractor shall have the reports available online. **AQL:** No deviation.		
5.8.2.4 Customer Support Reports <u>Deliverables</u> A069 Customer Support Report – Summary Report	**a)** The reports shall be delivered by the tenth (10th) business day of each month. **AQL:** No deviation.		
5.8.2.4.1 Customer Status Report <u>Deliverables</u> A070 Customer Support Report – Open Issues Status Report	**a)** The Customer Status Report shall be delivered by the tenth (10th) business day of each month. **AQL:** No deviation.		
5.8.2.4.2 Timeliness Reports <u>Deliverables</u> A071 Customer Support Report – Timeliness Reports	**a)** The Timeliness Reports shall be delivered by the tenth (10th) business day of each month. **AQL:** No deviation.		
5.8.2.4.3 Telephonic Reports <u>Deliverables</u> A072 Customer Support Report – Telephonic Reports	**a)** The Abandoned Reports shall be delivered by the tenth (10th) business day of each month. **AQL:** No deviation.		

5.8.2.4.4 Voicemail Report <u>Deliverables</u> A073 Customer Support Report – Voicemail Reports	**a)** The Voicemail Report shall be delivered by the tenth (10th) business day of each month. **AQL:** No deviation.		
5.8.2.4.5 Telecommunication Status Reports <u>Deliverables</u> A074 Customer Support Report – Telecommunication Status Reports	**a)** The reports shall be delivered by the tenth (10th) business day of each month **AQL:** No deviation.		
5.8.2.4.6 Information Records Reports <u>Deliverables</u> A075 Customer Support Report – Information Records Reports	**a)** The reports shall be delivered by the tenth (10th) business day of each month **AQL:** No deviation.		
5.8.2.4.7 Trend Reports <u>Deliverables</u> A076 Customer Support Report – Trend Reports	**a)** The reports shall be delivered by the tenth (10th) business day of each month **AQL:** No deviation.		
5.8.2.5 Accounting Reconciliation Processes and Reports			
5.8.2.5.1 Reconciliations			
5.8.2.5.2 Accounting Reports <u>Deliverables</u> A077 Accounting Reconciliation Reports A078 Accounting – Transaction Detail Report			

A079 Accounting – Cash Reports A080 Accounting – Trial Balance Reports A081 Accounting – Inventory Reports A082 Accounting – Receivables Reports A083 Accounting – Foreclosure Reports A084 Accounting – Missing Promissory Notes Reports A085 Accounting – Case History Reports			
5.8.3 Ad Hoc Reports and Requests <u>Deliverables</u> A086 Ad Hoc Reports/Requests			
5.8.3.1 Adhoc Reports -			
5.8.3.2 Adhoc Requests-			
5.8.3.2.1 For data not within the production environment, the Contractor shall provide rapid development programming to enable the Department to meet critical timeframes for reports and analytics. Delivery time of the assigned rapid development reports will be based on complexity of programming and design; however, the contractor shall provide delivery ready reports within eight (8) hours of assignment by the GTR or their designate to the GTR and GTMs. Rapid			

development of reports will require close collaboration with HUD staff in order to meet the required timeframe. It is expected that rapid development of reports shall comprise approximately sixteen (16) dedicated hours per week, for a maximum of one thousand two hundred (1200) hours per contract year. Rapid development requirements are in addition to the normal programming requirements for proper site maintenance, report production, standard development, and other programming expertise needed to maintain all aspects of the website.			
5.8.3.2.2 s a function of the rapid development requirement, the contractor shall dedicate a specific point of contact, a toll free number, and/ or email box that the GTR/GTM or their designee can utilize to achieve immediate collaboration and commence work effort due to the time constraints of the rapid development requirements. The point of contact shall confirm the start of the rapid development effort within one hour of receiving assignment, or sooner as needed.			
5.8.4 Utilization Report <u>Deliverables</u> A087 Management Reports – Utilization Reports	**a)** The reports shall be available on the fifth (5th) business day of every month. **AQL:** No deviation.		

5.8.5 Quality of Service Report <u>Deliverables</u> A088 Management Reports – Quality of Service Reports			
5.8.5.1 The Contractor shall provide a quantitative report of the quality of service of the website and website applications, to include historical comparables. The reports shall include, at a minimum, the ability to track trends in website performance by users; sort and summarize calculations by type and/or category and other performance metric capabilities. The report shall be loaded and available on the website system by the fifth (5th) business day of each month, or as requested by the GTR.			
5.8.5.2 The Contractor shall provide a monthly report consisting of the numbers and types of inquiries received. The Contractors phone help shall have on-line, read-only access to BSP data to facilitate responses to callers. The Contractor shall develop written procedures and provide the GTR with a copy of its Help Desk Procedures and frequently asked questions (FAQ) no later than ninety (90) days from the			

effective date of the contract. The Contractor shall document and distribute the FAQ to users on a quarterly basis or as updates merit more frequent release. The FAQs shall be posted to the website and/or sent electronically to the GTR and GTMs with each update.			
5.8.5.3 The Contractor shall provide a monthly report consisting of the numbers and types of inquiries received for each business function of the PWS.			

Statements	Standards/AQLs	Inspections	Ratings
5.9 Development/Testing Environment <u>Deliverables</u> A089 Development/Testing Environment	**a)** The Contractor shall provide a development/test environment that is mimic and logically isolated from the production environment within ninety (90) calendar days from the effective date of the contract and notify the GTR and GTM when complete. **AQL:** within one hundred and twenty (120) calendar days from the effective date of the contract	**What:** Deliverables **How:** review the deliverable **Frequency:** upon completion and thereafter **Who:** GTR/GTM **Standard(s):** Inspection applies to all standards	

Statements	Standards/AQLs	Inspections	Ratings
5.10 Training			
5.10.1 Formal / On-Site Training <u>Deliverables</u>			

A090 Formal / On-Site Training			
5.10.2 Web Training and Desk Reference Materials <u>Deliverables</u> A091 Initial Desk Reference Manual A092 Web Training A093 Help Desk Procedures and FAQ	**a)** The Contractor shall submit an initial Desk Reference Manual within thirty (30) calendar days from conversion acceptance. **AQL:** within forty-five (45) calendar days from conversion acceptance. **b)** The Contractor shall submit Help Desk Procedures and frequently asked questions (FAQ) no later than ninety (90) days from the effective date of the contract. **AQL:** within one hundred and twenty (120) calendar days from conversion acceptance.		

Statements	**Standards/AQLs**	**Inspections**	**Ratings**
5.11 System Documentations <u>Deliverables</u> A094 Technical Manual A095 Training Guidelines A096 User Manuals A097 Functional Requirement Documentation	**a)** The Contractor shall submit an initial Technical Manual within one hundred and twenty (120) calendar days from the effective date of the contract. **AQL:** within one hundred fifty (150) calendar days from the effective date of the contract.		

A098 Internal Control Document A099 Source Code A100 Desk Reference and Quick Reference Guide			

Statements	Standards/AQLs	Inspections	Ratings
5.12 Transition Out at End of the Contract Period <u>Deliverables:</u> A044 Transition Out			
5.12.1 Phase Out Staffing			
5.12.2 Phase Out Costs (if applicable) -			
5.12.3 Successor Training			
5.12.4 Business Service Providers and Documentation Transfer			

Attachment 6

Appendix 2 - Corrective Action Report (CAR)

CORRECTIVE ACTION REPORT (CAR)

(If more space is needed, use reverse and identify by number)

1. CONTRACTOR	2. CONTRACT NUMBER	3. TYPE OF SERVICES

4. FUNCTIONAL AREA	5. SUSPENSE DATE	6. CONTROL NUMBER

7. DEFICIENCY ☐ MAJOR ☐ MINOR

FINDING:

FINDING IMPACT:

Please respond with a written corrective action plan that details the corrective action of the cited deficiency, the cause of the deficiency, and actions taken to prevent recurrence by Suspense Date in Block 5. If date was not entered in Block 5, the contractor is not required to provide a response.

8. QUALITY ASSURANCE PERSONNEL (COR)

TYPED NAME AND GRADE	**SIGNATURE AND DATE**

9. ISSUING AUTHORITY

TYPED NAME AND GRADE	**SIGNATURE AND DATE**

10. COR RESPONSE TO CONTRACTOR CORRECTIVE ACTION AND ACTION TAKEN TO PREVENT RECURRENCE

11. COR DETERMINATION ☐ ACCEPTED ☐ REJECTED	12. CLOSE DATE

Attachment 6

Appendix 3 - Customer Complaint Record

CUSTOMER COMPLAINT RECORD			DATE/TIME OF COMPLAINT
SOURCE OF COMPLAINT			
ORGANIZATION	BUILDING NUMBER	INDIVIDUAL	PHONE NUMBER
NATURE OF COMPLAINT			
CONTRACT REFERENCE			
VALIDATION			
DATE/TIME CONTRACTOR INFORMED OF COMPLAINT			
ACTION TAKEN BY CONTRACTOR			

RECEIVED/VALIDATED BY

Appendix 4 - Performance Assessment Report (PAR)

PERFORMANCE ASSESSMENT REPORT (PAR)

(If more space is needed, use reverse and identify by number)

1. CONTRACT/TASK ORDER NUMBER	2. CONTRACTOR	3. TYPE OF SERVICES

4. QUALITY ASSURANCE PERSONNEL (COR) SIGNATURE AND DATE	**5. COR PHONE**	**6. SUSPENSE DATE**

I. PERFORMANCE

7. ☐ DEFICIENCY (CHECK ALL BOXES THAT APPLY) ☐ NEW ☐ REPEAT ☐ NO DEFICIENCY NOTED	8. SERVICES SUMMARY or PWS PARAGRAPH ITEM REVIEWED
9. BRIEF DESCRIPTION OF DEFICIENCY (IF DEFICIENCY BOX WAS CHECKED)	10. DETAILED PERFORMANCE ASSESSMENT

II. CONTRACTOR VALIDATION

11. CONTRACTOR REPRESENTATIVE ☐ CONCUR ☐ NON-CONCUR	12. CORRECTIVE ACTION ESTIMATED COMPLETION DATE

13. CONTRACTOR REPRESENTATIVE CORRECTIVE ACTION AND PREVENTION OF RECURRENCE OR REASON FOR NON-CONCURRENCE OF COR CITED DEFICIENCY

III. ACTION CORRECTED

14. ☐ CONCUR ☐ NON-CONCUR COR SIGNATURE AND DATE

15. COR REMARKS (REQUIRED)

Attachment 6

6. CONTRACTOR REPRESENTATIVE REMARKS

WD 05-2431 (Rev.-21) was first posted on www.wdol.gov on 01/05/2016
****

REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT By direction of the Secretary of Labor	U.S. DEPARTMENT OF LABOR EMPLOYMENT STANDARDS ADMINISTRATION WAGE AND HOUR DIVISION WASHINGTON D.C. 20210
Daniel W. Simms Director	Division of Wage Determinations
	Wage Determination No.: 2005-2431 Revision No.: 21 Date Of Revision: 12/29/2015

Note: Under Executive Order (EO) 13658, an hourly minimum wage of $10.15 for calendar year 2016 applies to all contracts subject to the Service Contract Act for which the solicitation was issued on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least $10.15 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2016. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

State: Oklahoma

Area: Oklahoma Counties of Alfalfa, Atoka, Beckham, Blaine, Bryan, Caddo, Canadian, Carter, Cleveland, Coal, Custer, Dewey, Ellis, Garfield, Garvin, Grady, Grant, Harper, Hughes, Johnston, Kingfisher, Lincoln, Logan, Love, Major, Marshall, McClain, Murray, Noble, Oklahoma, Payne, Pontotoc, Pottawatomie, Roger Mills, Seminole, Washita, Woods, Woodward

Fringe Benefits Required Follow the Occupational Listing

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		13.04
01012 - Accounting Clerk II		14.63
01013 - Accounting Clerk III		18.28
01020 - Administrative Assistant		22.58
01040 - Court Reporter		18.46
01051 - Data Entry Operator I		11.69
01052 - Data Entry Operator II		12.76
01060 - Dispatcher, Motor Vehicle		17.05
01070 - Document Preparation Clerk		13.46
01090 - Duplicating Machine Operator		13.46
01111 - General Clerk I		13.10
01112 - General Clerk II		14.30
01113 - General Clerk III		18.00
01120 - Housing Referral Assistant		18.77
01141 - Messenger Courier		10.67
01191 - Order Clerk I		12.71
01192 - Order Clerk II		14.08
01261 - Personnel Assistant (Employment) I		14.35
01262 - Personnel Assistant (Employment) II		16.05
01263 - Personnel Assistant (Employment) III		17.90
01270 - Production Control Clerk		20.96
01280 - Receptionist		12.74
01290 - Rental Clerk		14.04
01300 - Scheduler, Maintenance		14.04
01311 - Secretary I		14.04
01312 - Secretary II		16.20

01313 - Secretary III	18.77
01320 - Service Order Dispatcher	15.05
01410 - Supply Technician	22.58
01420 - Survey Worker	17.05
01531 - Travel Clerk I	12.32
01532 - Travel Clerk II	13.14
01533 - Travel Clerk III	13.77
01611 - Word Processor I	12.54
01612 - Word Processor II	14.07
01613 - Word Processor III	15.80
05000 - Automotive Service Occupations	
05005 - Automobile Body Repairer, Fiberglass	18.14
05010 - Automotive Electrician	17.24
05040 - Automotive Glass Installer	16.31
05070 - Automotive Worker	14.84
05110 - Mobile Equipment Servicer	13.22
05130 - Motor Equipment Metal Mechanic	16.49
05160 - Motor Equipment Metal Worker	14.84
05190 - Motor Vehicle Mechanic	16.49
05220 - Motor Vehicle Mechanic Helper	12.63
05250 - Motor Vehicle Upholstery Worker	14.03
05280 - Motor Vehicle Wrecker	14.84
05310 - Painter, Automotive	15.67
05340 - Radiator Repair Specialist	14.84
05370 - Tire Repairer	12.12
05400 - Transmission Repair Specialist	16.49
07000 - Food Preparation And Service Occupations	
07010 - Baker	11.05
07041 - Cook I	8.70
07042 - Cook II	10.01
07070 - Dishwasher	8.18
07130 - Food Service Worker	8.20
07210 - Meat Cutter	13.28
07260 - Waiter/Waitress	8.77
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	14.86
09040 - Furniture Handler	10.57
09080 - Furniture Refinisher	14.86
09090 - Furniture Refinisher Helper	11.83
09110 - Furniture Repairer, Minor	13.35
09130 - Upholsterer	14.86
11000 - General Services And Support Occupations	
11030 - Cleaner, Vehicles	11.06
11060 - Elevator Operator	10.81
11090 - Gardener	12.86
11122 - Housekeeping Aide	10.47
11150 - Janitor	10.19
11210 - Laborer, Grounds Maintenance	10.82
11240 - Maid or Houseman	8.42
11260 - Pruner	10.20
11270 - Tractor Operator	12.10
11330 - Trail Maintenance Worker	10.82
11360 - Window Cleaner	10.42
12000 - Health Occupations	
12010 - Ambulance Driver	13.70
12011 - Breath Alcohol Technician	17.35
12012 - Certified Occupational Therapist Assistant	25.26
12015 - Certified Physical Therapist Assistant	22.10
12020 - Dental Assistant	14.41
12025 - Dental Hygienist	29.89
12030 - EKG Technician	20.95
12035 - Electroneurodiagnostic Technologist	20.95

12040 - Emergency Medical Technician		13.70
12071 - Licensed Practical Nurse I		15.51
12072 - Licensed Practical Nurse II		17.35
12073 - Licensed Practical Nurse III		19.35
12100 - Medical Assistant		12.33
12130 - Medical Laboratory Technician		16.14
12160 - Medical Record Clerk		13.88
12190 - Medical Record Technician		15.53
12195 - Medical Transcriptionist		12.04
12210 - Nuclear Medicine Technologist		34.29
12221 - Nursing Assistant I		9.70
12222 - Nursing Assistant II		10.91
12223 - Nursing Assistant III		11.91
12224 - Nursing Assistant IV		13.36
12235 - Optical Dispenser		14.41
12236 - Optical Technician		11.84
12250 - Pharmacy Technician		16.23
12280 - Phlebotomist		13.36
12305 - Radiologic Technologist		22.09
12311 - Registered Nurse I		27.48
12312 - Registered Nurse II		30.22
12313 - Registered Nurse II, Specialist		30.22
12314 - Registered Nurse III		36.56
12315 - Registered Nurse III, Anesthetist		36.56
12316 - Registered Nurse IV		43.82
12317 - Scheduler (Drug and Alcohol Testing)		21.50
13000 - Information And Arts Occupations		
13011 - Exhibits Specialist I		18.53
13012 - Exhibits Specialist II		20.67
13013 - Exhibits Specialist III		24.88
13041 - Illustrator I		20.86
13042 - Illustrator II		25.12
13043 - Illustrator III		30.74
13047 - Librarian		20.37
13050 - Library Aide/Clerk		10.85
13054 - Library Information Technology Systems Administrator		18.40
13058 - Library Technician		12.31
13061 - Media Specialist I		13.27
13062 - Media Specialist II		14.85
13063 - Media Specialist III		16.56
13071 - Photographer I		13.27
13072 - Photographer II		15.16
13073 - Photographer III		18.78
13074 - Photographer IV		22.98
13075 - Photographer V		27.80
13110 - Video Teleconference Technician		14.89
14000 - Information Technology Occupations		
14041 - Computer Operator I		14.91
14042 - Computer Operator II		16.74
14043 - Computer Operator III		18.70
14044 - Computer Operator IV		20.75
14045 - Computer Operator V		22.97
14071 - Computer Programmer I	(see 1)	24.07
14072 - Computer Programmer II	(see 1)	
14073 - Computer Programmer III	(see 1)	
14074 - Computer Programmer IV	(see 1)	
14101 - Computer Systems Analyst I	(see 1)	
14102 - Computer Systems Analyst II	(see 1)	
14103 - Computer Systems Analyst III	(see 1)	
14150 - Peripheral Equipment Operator		14.91
14160 - Personal Computer Support Technician		20.75

15000 - Instructional Occupations	
15010 - Aircrew Training Devices Instructor (Non-Rated)	29.92
15020 - Aircrew Training Devices Instructor (Rated)	36.20
15030 - Air Crew Training Devices Instructor (Pilot)	39.82
15050 - Computer Based Training Specialist / Instructor	29.92
15060 - Educational Technologist	22.71
15070 - Flight Instructor (Pilot)	39.82
15080 - Graphic Artist	20.81
15090 - Technical Instructor	17.74
15095 - Technical Instructor/Course Developer	21.70
15110 - Test Proctor	15.76
15120 - Tutor	15.76
16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations	
16010 - Assembler	8.47
16030 - Counter Attendant	8.47
16040 - Dry Cleaner	10.79
16070 - Finisher, Flatwork, Machine	8.47
16090 - Presser, Hand	8.47
16110 - Presser, Machine, Drycleaning	8.47
16130 - Presser, Machine, Shirts	8.47
16160 - Presser, Machine, Wearing Apparel, Laundry	8.47
16190 - Sewing Machine Operator	11.56
16220 - Tailor	12.34
16250 - Washer, Machine	9.27
19000 - Machine Tool Operation And Repair Occupations	
19010 - Machine-Tool Operator (Tool Room)	19.79
19040 - Tool And Die Maker	24.73
21000 - Materials Handling And Packing Occupations	
21020 - Forklift Operator	15.25
21030 - Material Coordinator	22.82
21040 - Material Expediter	22.82
21050 - Material Handling Laborer	11.10
21071 - Order Filler	12.77
21080 - Production Line Worker (Food Processing)	15.25
21110 - Shipping Packer	13.76
21130 - Shipping/Receiving Clerk	13.76
21140 - Store Worker I	13.94
21150 - Stock Clerk	16.90
21210 - Tools And Parts Attendant	15.25
21410 - Warehouse Specialist	15.25
23000 - Mechanics And Maintenance And Repair Occupations	
23010 - Aerospace Structural Welder	24.37
23021 - Aircraft Mechanic I	23.35
23022 - Aircraft Mechanic II	24.37
23023 - Aircraft Mechanic III	25.40
23040 - Aircraft Mechanic Helper	16.96
23050 - Aircraft, Painter	20.19
23060 - Aircraft Servicer	19.19
23080 - Aircraft Worker	20.33
23110 - Appliance Mechanic	16.59
23120 - Bicycle Repairer	12.12
23125 - Cable Splicer	24.43
23130 - Carpenter, Maintenance	18.10
23140 - Carpet Layer	17.15
23160 - Electrician, Maintenance	18.93
23181 - Electronics Technician Maintenance I	21.73
23182 - Electronics Technician Maintenance II	24.54
23183 - Electronics Technician Maintenance III	25.71
23260 - Fabric Worker	17.12
23290 - Fire Alarm System Mechanic	18.63
23310 - Fire Extinguisher Repairer	16.13
23311 - Fuel Distribution System Mechanic	23.73

23312 - Fuel Distribution System Operator	17.99
23370 - General Maintenance Worker	17.04
23380 - Ground Support Equipment Mechanic	22.99
23381 - Ground Support Equipment Servicer	18.78
23382 - Ground Support Equipment Worker	19.89
23391 - Gunsmith I	16.13
23392 - Gunsmith II	17.98
23393 - Gunsmith III	19.84
23410 - Heating, Ventilation And Air-Conditioning Mechanic	18.92
23411 - Heating, Ventilation And Air Contditioning Mechanic (Research Facility)	19.98
23430 - Heavy Equipment Mechanic	18.92
23440 - Heavy Equipment Operator	18.50
23460 - Instrument Mechanic	24.92
23465 - Laboratory/Shelter Mechanic	18.93
23470 - Laborer	11.10
23510 - Locksmith	18.24
23530 - Machinery Maintenance Mechanic	21.77
23550 - Machinist, Maintenance	18.92
23580 - Maintenance Trades Helper	13.97
23591 - Metrology Technician I	24.92
23592 - Metrology Technician II	25.98
23593 - Metrology Technician III	27.08
23640 - Millwright	20.03
23710 - Office Appliance Repairer	19.09
23760 - Painter, Maintenance	17.94
23790 - Pipefitter, Maintenance	19.97
23810 - Plumber, Maintenance	19.20
23820 - Pneudraulic Systems Mechanic	19.84
23850 - Rigger	19.84
23870 - Scale Mechanic	17.98
23890 - Sheet-Metal Worker, Maintenance	22.11
23910 - Small Engine Mechanic	17.04
23931 - Telecommunications Mechanic I	22.77
23932 - Telecommunications Mechanic II	23.76
23950 - Telephone Lineman	22.90
23960 - Welder, Combination, Maintenance	18.92
23965 - Well Driller	19.71
23970 - Woodcraft Worker	19.84
23980 - Woodworker	16.13
24000 - Personal Needs Occupations	
24570 - Child Care Attendant	8.73
24580 - Child Care Center Clerk	13.27
24610 - Chore Aide	8.73
24620 - Family Readiness And Support Services Coordinator	14.27
24630 - Homemaker	15.64
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	22.39
25040 - Sewage Plant Operator	16.59
25070 - Stationary Engineer	22.39
25190 - Ventilation Equipment Tender	15.08
25210 - Water Treatment Plant Operator	16.35
27000 - Protective Service Occupations	
27004 - Alarm Monitor	14.88
27007 - Baggage Inspector	12.57
27008 - Corrections Officer	15.39
27010 - Court Security Officer	20.62
27030 - Detection Dog Handler	15.03
27040 - Detention Officer	15.39
27070 - Firefighter	24.14

27101 - Guard I		12.57
27102 - Guard II		15.03
27131 - Police Officer I		23.19
27132 - Police Officer II		25.77
28000 - Recreation Occupations		
28041 - Carnival Equipment Operator		10.57
28042 - Carnival Equipment Repairer		11.39
28043 - Carnival Equpment Worker		8.28
28210 - Gate Attendant/Gate Tender		13.14
28310 - Lifeguard		12.47
28350 - Park Attendant (Aide)		15.51
28510 - Recreation Aide/Health Facility Attendant		10.73
28515 - Recreation Specialist		17.93
28630 - Sports Official		11.71
28690 - Swimming Pool Operator		16.74
29000 - Stevedoring/Longshoremen Occupational Services		
29010 - Blocker And Bracer		20.94
29020 - Hatch Tender		20.94
29030 - Line Handler		20.94
29041 - Stevedore I		19.94
29042 - Stevedore II		22.08
30000 - Technical Occupations		
30010 - Air Traffic Control Specialist, Center (HFO)	(see 2)	35.77
30011 - Air Traffic Control Specialist, Station (HFO)	(see 2)	24.66
30012 - Air Traffic Control Specialist, Terminal (HFO)	(see 2)	27.16
30021 - Archeological Technician I		17.25
30022 - Archeological Technician II		20.36
30023 - Archeological Technician III		25.22
30030 - Cartographic Technician		25.22
30040 - Civil Engineering Technician		24.03
30061 - Drafter/CAD Operator I		17.25
30062 - Drafter/CAD Operator II		20.36
30063 - Drafter/CAD Operator III		22.71
30064 - Drafter/CAD Operator IV		26.48
30081 - Engineering Technician I		19.05
30082 - Engineering Technician II		21.83
30083 - Engineering Technician III		23.92
30084 - Engineering Technician IV		29.64
30085 - Engineering Technician V		36.26
30086 - Engineering Technician VI		43.86
30090 - Environmental Technician		21.77
30210 - Laboratory Technician		19.34
30240 - Mathematical Technician		25.23
30361 - Paralegal/Legal Assistant I		18.67
30362 - Paralegal/Legal Assistant II		23.12
30363 - Paralegal/Legal Assistant III		28.28
30364 - Paralegal/Legal Assistant IV		34.22
30390 - Photo-Optics Technician		25.22
30461 - Technical Writer I		18.40
30462 - Technical Writer II		22.51
30463 - Technical Writer III		27.24
30491 - Unexploded Ordnance (UXO) Technician I		22.74
30492 - Unexploded Ordnance (UXO) Technician II		27.51
30493 - Unexploded Ordnance (UXO) Technician III		32.97
30494 - Unexploded (UXO) Safety Escort		22.74
30495 - Unexploded (UXO) Sweep Personnel		22.74
30620 - Weather Observer, Combined Upper Air Or Surface Programs	(see 2)	22.71
30621 - Weather Observer, Senior	(see 2)	25.22
31000 - Transportation/Mobile Equipment Operation Occupations		
31020 - Bus Aide		11.62
31030 - Bus Driver		14.66

31043 - Driver Courier	13.20
31260 - Parking and Lot Attendant	9.68
31290 - Shuttle Bus Driver	14.03
31310 - Taxi Driver	10.60
31361 - Truckdriver, Light	14.03
31362 - Truckdriver, Medium	15.85
31363 - Truckdriver, Heavy	19.47
31364 - Truckdriver, Tractor-Trailer	19.47
99000 - Miscellaneous Occupations	
99030 - Cashier	8.66
99050 - Desk Clerk	8.70
99095 - Embalmer	25.43
99251 - Laboratory Animal Caretaker I	10.69
99252 - Laboratory Animal Caretaker II	11.36
99310 - Mortician	25.43
99410 - Pest Controller	13.65
99510 - Photofinishing Worker	12.45
99710 - Recycling Laborer	15.53
99711 - Recycling Specialist	17.42
99730 - Refuse Collector	14.64
99810 - Sales Clerk	11.59
99820 - School Crossing Guard	10.88
99830 - Survey Party Chief	23.62
99831 - Surveying Aide	13.28
99832 - Surveying Technician	20.91
99840 - Vending Machine Attendant	12.16
99841 - Vending Machine Repairer	14.63
99842 - Vending Machine Repairer Helper	11.82

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: $4.27 per hour or $170.80 per week or $740.13 per month

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 10 years, and 4 after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of ten paid holidays per year, New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: Under the SCA at section 8(b), this wage determination does not apply to any employee who individually qualifies as a bona fide executive, administrative, or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than $27.63 (or on a salary or fee basis at a rate not less than $455 per week) an hour would likely qualify as exempt computer professionals, (29 C.F.R. 541. 400) wage rates may not be listed on this wage determination for all occupations within those job families. In addition, because this wage determination may not

list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds $27.63 per hour conformances may be necessary for certain nonexempt employees. For example, if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer occupations for which this wage determination does not specify an SCA wage rate, then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination.

Additionally, because job titles vary widely and change quickly in the computer industry, job titles are not determinative of the application of the computer professional exemption. Therefore, the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of:

(1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

(2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

(3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or

(4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

HAZARDOUS PAY DIFFERENTIAL: An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordinance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives. Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving regrading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordance, explosives, and incendiary material differential pay.

** UNIFORM ALLOWANCE **

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an

employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of $3.35 per week (or $.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition, April 2006, unless otherwise indicated. Copies of the Directory are available on the Internet. A links to the Directory may be found on the WHD home page at http://www.dol.gov/esa/whd/ or through the Wage Determinations On-Line (WDOL) Web site at http://wdol.gov/.

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE {Standard Form 1444 (SF 1444)}

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming process shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. The conformed classification, wage rate, and/or fringe benefits shall be retroactive to the commencement date of the contract. {See Section 4.6 (C)(vi)} When multiple wage determinations are included in a contract, a separate SF 1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).

2) After contract award, the contractor prepares a written report listing in order proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.

3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent

information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. (See section 4.6(b)(2) of Regulations 29 CFR Part 4).

4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.

5) The contracting officer transmits the Wage and Hour decision to the contractor.

6) The contractor informs the affected employees.

Information required by the Regulations must be submitted on SF 1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" (the Directory) should be used to compare job definitions to insure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination.

ADDITIONAL INSTRUCTIONS TO OFFERORS - PRICING

Offerors shall use this standard format to submit summaries of their estimated costs for review and analysis by the Government. See also FAR clause 52.215-20 and its Alternate I included in the solicitation.

Offerors are expected to act in good faith in disclosing their cost or price estimation process. Offerors shall incorporate as part of, or submit with this format any additional information, e.g., schedules, which supports and substantiates the proposed costs, and which is reasonably required for review and analysis in light of the specific facts of this acquisition. The information submitted or otherwise made available by offerors shall include:

- Existing, verifiable data;
- The judgmental factors applied in projecting from known data to the estimates; and,
- The contingencies used in developing the offerors' proposed cost or prices.

Offerors shall describe any relevant information that it is impracticable to include in this format or attachments. Offerors shall make such information available to the Contracting Officer or his/her representative upon request.

Line item instructions:

1. Enter the name of the firm, partnership, organization, etc., submitting the offer.
2. Enter offeror's full, current address.
3. Enter the Government's solicitation number from the Request for Proposals (RFP).
4. Enter the title of the proposed contract shown on the RFP. (NOTE: *When this format is used for subcontractors, enter a brief description of the services or the tasks - and any task numbers - to be performed by the subcontractor.*)
5. List each category or classification of direct labor proposed to be used under the contract. Enter the proposed number of hours and hourly rate for each classification. Multiply the rate by the number of hours and enter the product in the Estimated Cost column. Add the estimated cost for all classifications and enter the sum in the Total Direct Labor row. (NOTE: *If the rate is loaded, i.e., includes more than salaries, include explanation and breakdown of the components of the rate*.)
6. Enter each cost center, department or other entity for which direct labor overhead is to be charged. Enter the rate and base for each. Multiply the rate(s) by the (base(s) and enter the product(s) in the Estimated Cost column. Add the estimated cost for each labor overhead cost center and enter the total in the Total Labor Overhead row. (NOTE: *Do not include any direct labor overhead here that is already included in loaded rates in item 5 above*.)
7. List proposed consultants by name or company (if known) or other description, e.g., type. Enter hourly rates and number of hours proposed for each. Multiply each rate by its corresponding base and enter the product in the Est. Cost column. Add the estimated cost totals and the total from Schedule A and enter the sum in the Total Consultant Costs row.
8. Enter the total of the itemized Other Direct Costs from Schedule A.
9. Enter the total subcontract costs from the individual subcontract pricing proposal sheets (Schedule B). Use separate Schedule B for each subcontractor.
10. Add the totals from items 5, 6, 7, 8 and 9 and enter the sum.
11. Enter the G&A rate (percentage), the dollar amount of the base to which the rate is applied, and the cost element item numbers to which the rate applies (e.g., Direct Labor, Direct Labor Overhead, etc.). Multiply the rate by the total of those items (i.e., the base) and enter the product.
12. Add the amounts in rows 10 and 11 together, and enter the sum.
13. Enter the amount of proposed fixed-fee or profit.
14. Add the amounts in rows 12 and 13, and enter the sum.

CONTRACT PRICING PROPOSAL FORMAT

This format is to be used for the submission of *information other than cost and pricing data* as defined at FAR Subpart 15.4. Use additional sheets as needed.	Page no. of
1. Offeror:	3. Solicitation No:
2. Offeror's Address:	4. Services/items to be furnished:

DESCRIPTION OF PROPOSED COST ELEMENTS

5. Direct Labor (*specify by category/type*)	Estimated No of Hours	x Rate/Hour	= Estimated Cost
Total Direct Labor			
6. Labor Overhead (*specify Dept./Cost Center*)	Rate (%)	x Base ($)	= Estimated Cost
Total Labor Overhead			
7. Consultants (*continue on Schedule A*)	Rate ($)	x Hours	= Estimated Cost
Subtotal Consultant Costs from Schedule A			
Total Consultant Costs			

8. Other Direct Costs (*from Schedule A*)		
9. Subcontract Costs (*from Schedule B*)		
10.Total Direct Costs *(add items 5 through 9)*		
11. General & Administrative Expense	Rate: % x Base: $ (Item #s:)	
12. Total Estimated Cost (add items 10 and 11)		
13. Proposed Fixed Fee/Profit		
14. Total Estimated Cost Plus Fixed Fee/Profit		

CONTRACT PRICING PROPOSAL FORMAT - Schedule A

This format is to be used for the submission of *information other than cost and pricing data* as defined at FAR Subpart 15.4. Use additional sheets as needed.			Page no. of
1. Offeror:		2. Solicitation No:	
DESCRIPTION OF PROPOSED COST ELEMENTS			
3. Consultants (*names or description*)	Rate	x Hours	= Est. Cost
Subtotal Consultants			
4. Other Direct Costs (*specify, e.g., travel, communications, supplies, etc.*)	Unit & No.	x Rate	= Total
Sub-Total Other Direct Costs			

CONTRACT PRICING PROPOSAL FORMAT - *Schedule B - Subcontract Costs*

This format is to be used for the submission of information other than cost and pricing data (see FAR 15.402). Use additional sheets for lower tier subcontracts and as needed.	Page no. of
1. Offeror:	2. Solicitation No:
3. Subcontractor (*name and address*):	4. Services/Items to be furnished:

DESCRIPTION OF PROPOSED COST ELEMENTS				
5. Direct Labor (*specify by category/type*)	Estimated No of Hours	Rate/Hour	Estimated Cost	
Total Direct Labor				
6. Labor Overhead (*specify Dept./Cost Center*)	O/H Rate	x Base ($)	= Est. Cost	
Total Labor Overhead				
7. Consultants (*continue on Schedule A*)	Rate	x Hours	= Est. Cost	
Subtotal Consultant Costs from Schedule A				
Total Consultant Costs				
8. Other Direct Costs (*from Schedule A*)				
9. Subcontract costs (*from Schedule B*)				
10. Total Direct Costs				
11. General & Administrative Expense	Rate: % x Base: $ (Item #s:)			
12. Total Estimated Cost				
13. Fee or Profit				
14. Total Estimated Cost And Fee/Profit				

Attachment 9- Past Performance Survey

PAST PERFORMANCE SURVEY

This past performance survey is to be completed on the designated contractor or key personnel as designated below:

PAST PERFORMANCE PROJECT IDENTIFICATON (*To be filled out by the Offeror*):

CONTRACTOR OR KEY PERSONNEL NAME:	Click here to enter text.
CONTRACT or ORDER NUMBER:	**Click here to enter text.**
PROJECT TITLE:	**Click here to enter text.**
TOTAL PERIOD OF PERFORMANCE, INCLUDING OPTIONS	**Click here to enter text.**

PAST PERFORMANCE REFERENCE INFORMATION (*To be filled out by the Reference*):

NAME:	Click here to enter text.
TITLE:	**Click here to enter text.**
AGENCY or CUSTOMER:	**Click here to enter text.**
PHONE:	**Click here to enter text.**
E-MAIL	**Click here to enter text.**

The Department of Housing and Urban Development (HUD) is procuring the services described in the box below. You have been selected by the contractor or key personnel identified above to provide past performance information to HUD to be used in evaluating the offeror's proposal for this acquisition. Thank you for your input.

Summarize the services acquired here.

If this past performance survey is related to key personnel, please summarize the level of interface you had with the designated key personnel throughout the life of the project you oversaw.

For each of the Five (5) criteria listed below, the rater must choose One (1) Adjectival Rating by checking the box, as applicable. At a minimum, for any rating that is checked Marginal or Unsatisfactory, please submit additional comments to substantiate the rating. If Cost Control is N/A, Please explain why.

1. QUALITY OF SERVICE

RATING	Adjectival Rating	Definition
☐	**Exceptional**	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
☐	**Very Good**	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
☐	**Satisfactory**	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
☐	**Marginal**	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
☐	**Unsatisfactory**	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.

ADDITIONAL COMMENTS:

Click here to enter text.

2. SCHEDULE

RATING	Adjectival Rating	Definition
☐	**Exceptional**	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
☐	**Very Good**	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
☐	**Satisfactory**	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
☐	**Marginal**	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
☐	**Unsatisfactory**	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.

ADDITIONAL COMMENTS:

Click here to enter text.

3. COST CONTROL

RATING	Adjectival Rating	Definition
☐	**Exceptional**	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
☐	**Very Good**	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
☐	**Satisfactory**	Performance meets contractual requirements. The element being assessed contains some minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
☐	**Marginal**	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
☐	**Unsatisfactory**	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.
☐	**Not Applicable**	

ADDITIONAL COMMENTS:

Click here to enter text.

4. BUSINESS RELATIONS

RATING	Adjectival Rating	Definition
☐	**Exceptional**	Performance meets contractual requirements and exceeds many to the Government's benefit. The element being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor/Key Personnel were highly effective
☐	**Very Good**	Performance meets contractual requirements and exceeds some to the Government's benefit. The element being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor/Key Personnel were effective
		Performance meets contractual requirements. The element being assessed contains some

☐	**Satisfactory**	minor problems for which corrective actions taken by the Contractor/Key Personnel appear or were satisfactory
☐	**Marginal**	Performance does not meet some contractual requirements. The element being assessed reflects a serious problem for which the Contractor/Key Personnel has not yet identified corrective actions.
☐	**Unsatisfactory**	Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The element being assessed contains a serious problem(s) for which the Contractor's/Key Personnel's corrective actions appear or were ineffective.

ADDITIONAL COMMENTS:

Click here to enter text.

Attachment 10

PAST PERFORMANCE INFORMATION (relevant services performed in the 3 years prior to submission of proposal)

PRIME CONTRACTOR OR PARTNER/SUBCONTRACTOR NAME_____

CLIENT NAME *	POINT OF CONTACT NAME, ADDRESS, TELEPHONE	TYPE OF SERVICES PROVIDED	CONTRACT NUMBER AND VALUE OF CONTRACT	DATE SERVICES PROVIDED	PRINCIPAL PARTNERS/KEY PERSONNEL	PPIRS On File

* If performance was as a subcontractor, this will be the name of the prime contractor.

Attachment 11

CONTRACTOR EMPLOYEE'S NON-DISCLOSURE AGREEMENT

I understand that, as part of my duties under Contract #_____ (the "Contract"), I may have access to, or be provided, Government procurement-sensitive information, proprietary business information provided to the Government by other parties (e.g., other contractors), and/or personal information protected by the Privacy Act (all of this information is defined as "Protected Information" in this Agreement). I understand that for the purpose of this Agreement, Protected Information includes, but is not limited to the following: procurement planning information, contract information contained in individual contracts and Government procurement databases, proposal evaluation plans and evaluation results, negotiation strategies, technical, cost and business information contained in proposals submitted by entities competing for Government contracts; and, personal information (e.g., Social Security Numbers). I also understand that Protected Information may exist in different physical media (e.g. paper, electronic file, audio or video disc), or be transmitted orally.

I, further agree that I will not disclose, publish, divulge, release, or make known in any manner or to any extent, to any individual, except as authorized by the contracting officer, any Protected Information provided to me or legitimately obtained by me in the pursuit of my assigned duties during the course of my employment under this contract. I will not disclose, publish, divulge, release, or make known, any Protected Information that, in the future, may be made part of the public domain without prior authorization of the contracting officer. This prohibition also covers information provided by the Government or a contractor whether or not in its original form or a derivative form (i.e. where the information has been included in a contractor-generated work or where it is discernible from materials incorporating or based upon such information).

I further agree that I will use Protected Information only for official purposes in the performance of the Contract and will disclose such information only to those individuals who have a specific need to know in performance of official Government duties. I specifically will not disclose any such information to employees of my company or any other contractor employee(s) who have not signed this agreement. I will take all reasonable precautions to prevent the unauthorized disclosure and use of such information.

I also understand that the prohibitions and requirements in this Agreement have no expiration date.

I hereby certify that I have read the non-disclosure Agreement described above and I am familiar with the directives and policies governing the disclosure of procurement-sensitive information. I agree that I will fully and completely observe these directives and will not disclose such information to any unauthorized person, or use any information that I have obtained or been provided for private use or gain at any time, including subsequent to the performance of duties under the Contract.

_____	_____	_____
Employee's Name	Signature	Date

_____

Contractor Name