
The logo for the National Foreclosure Mitigation Counseling Program. It features a green square with a white border. Inside the square, the text "National Foreclosure Mitigation Counseling Program" is written in white, stacked in four lines. The background of the square shows a faint, stylized image of a building's facade.

National
Foreclosure
Mitigation
Counseling
Program

NFMC ROUND 4
APPLICATION GUIDE
FOR NEIGHBORWORKS[®] ORGANIZATIONS

TABLE OF CONTENTS

How to Use this Guide: Reminders and Tips	3
Applicant Certifications	4
Factor 1: NFMC Grant Performance	5
Factor 2: Capacity of Applicant & Staff	7
Factor 3: Proposed Counseling Services	15
Factor 4: Proposed Geographic Service Areas	32
Factor 5: Targeted Outreach	35
Factor 6: Match and Match Waiver	38
Application Submission	42

How to Use this Guide: Reminders and Tips

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

- Refer to this guide frequently as it provides specific instructions and examples not available in the actual GrantWorks application. It is your key to submitting the best application possible.
- Assume reviewers know nothing about your organization, including its history, structure, experience, or partners. If you applied for NFMC funding previously, assume your application reviewers will be different in Round 4.
- If you are a current recipient of NFMC funds, provide relevant, detailed information and recent NFMC program/funding progress updates in the narrative sections of questions where requested and relevant.
- Any question marked with a red * is required by GrantWorks to have a response by the Applicant.
- For questions that require lengthy narrative responses, consider using all the space provided to you to create a complete, detailed answer. The number of characters available for each question is listed in GrantWorks.
- Take care to fully complete all data fields, specifically the counseling unit charts in Factors 3 and 4. Errors or omissions may substantially impact the quality of your application and ultimately any award amount.
- After completing your application, please review to ensure that responses throughout the application are consistent. When taken as a whole, the application must provide reviewers with clear and convincing evidence that Applicant has the capacity to fully expend Round 4 funds by December 31, 2010. Goals must be reasonable given the Applicant's past performance in NFMC (when applicable), planned staffing levels, and ability to oversee the compliance and quality of services provided by any organizations the N.W.O. will contract with to provide counseling, if applicable.

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

All eligible applicants were notified on January 20, 2010 that, due to scheduled system upgrades, GrantWorks and the NFMC applications will not be available on Saturday January 23rd and Saturday January 30th. Please plan accordingly.

Applicant Certifications

Certifications 1-14: This section contains eligibility requirements all Applicants must meet in order to receive NFMC program funding. A check mark within each box signifies the Applicant agrees that each criteria has been met.

ALL FIELDS ARE REQUIRED. While no points are awarded for this section, this is a threshold requirement. If Applicant cannot certify these are true, the application will not be considered for funding.

Each Applicant must certify for itself, and for any entity it contracts with to provide a portion of its counseling services in accordance with the NFMC Round 4 Funding Announcement, and for any of its branch offices where applicable, that each of the following certifications is true. By checking off each required certification below Applicant certifies that it, its branches, and the entities it contracts with to provide counseling services:

- 1. Is in good standing under the laws of the state in which it operates. *
- 2. Is authorized to do business in the states where it proposes to provide counseling services. *
- 3. Meets or exceeds HUD's minimal standards for approval as a HUD housing counseling agency (<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>). *
- 4. Has counseling offices and services that are accessible to people with disabilities. *
- 5. Has counselors fluent in the languages that customers speak or will use interpreter services to ensure non-English speaking customers can obtain foreclosure intervention counseling. *
- 6. Will not permit discrimination against customers on the basis of their gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. *
- 7. Will adhere to the National Industry Standards Code of Ethics and Conduct and offer (as appropriate) the Minimum Standard Activities for Foreclosure Intervention and Default Counseling.* (<http://www.nw.org/network/nfmc/documents/NationalIndustryForeclosureCounselingStandards-FINAL.pdf>).
- 8. Currently uses CounselorMax, Nstep, or Home Counselor Online or Applicant uses alternative client management system that will supply, electronically, the necessary client-level and aggregate reporting. NeighborWorks will make available a template for data modification and submission. *
- 9. Has the capacity to track and report both client level and aggregate data. Reporting must be done via electronic data files. *

- 10. Has the capacity to furnish client level data and aggregate reports on NFMC program activity in electronic file format. *
- 11. Agrees to comply with quality control, compliance, and evaluation of the NFMC program through December 31, 2012. *
- 12. Certifies that the staff and volunteers who will provide foreclosure intervention counseling under NFMC have no conflict(s) of interest due to other relationships with servicers, real estate agencies, mortgage lenders and/or other entities that may stand to benefit from particular counseling outcomes. *
- 13. Certifies that it has documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling plans, including foreclosure mitigation counseling. *
- 14. Certifies that all NFMC clients will be owner-occupants of their homes at the time they receive counseling. *

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Factor 1: NFMC Grant Performance

- 1. Was your organization awarded NFMC Round 2 funds?** * If you received a NFMC Grant Award dated December 3, 2008, select “Yes”.
- 2. Was your organization awarded NFMC Round 3 funds?** * If you received a NFMC Grant Award dated, October 1, 2009, select “Yes” and complete all remaining questions in Factor 1. If not, select “No” and proceed to Question 6 if you’ve previously received NFMC funds, or Factor 2 if you’ve never received NFMC funds.

NOTE: If you answered “No” to Questions 1 and 2, proceed to Factor 2. Applicant can only proceed to Factor 2 if it has never received NFMC funding in any previous round. Thus:

- If your organization received NFMC funds in Round 2 and/or Round 3, answer questions 3 through 6.
- If your organization received NFMC funding in Round 1 only, skip questions 3-5 and answer question 6.
- If your organization has never received NFMC funds, skip questions 3 – 6 and proceed to Factor 2.

- 3. If you are currently using NFMC funds, by what date do you expect to fully expend all awarded funds (for Rounds 2 and 3)?** Enter the date you anticipate exhausting all current NFMC Program funding. If you have already exhausted all funding, please enter the date you were informed by NFMC that you had reached 95% of your current round’s production.

4. Provide a monthly projection of NFMC Round 2 and 3 counseling units to be delivered between December 1, 2009 and December 31, 2010 (or until you complete your Round 2 and 3 counseling units, whichever comes first). **Remember, any Round 4 units of counseling you are awarded must be completed by December 31, 2010 and are over and above the Round 2 and 3 units of counseling your organization has yet to complete which are listed below.** Here, please project out the delivery of ALL NFMC Program counseling units that have been awarded. If you are still in Round 2, project both Round 2 remaining units and all Round 3 units, if applicable. Be realistic in your monthly estimates, basing them largely on your actual monthly units for December 2009 through December 2010. If the monthly production figures in the chart significantly increase or decrease, be sure to fully explain and justify these changes in production in questions 5 & 6, below, and elsewhere in the application where relevant.

Monthly Projections for NFMC Round 2 and Round 3 Counseling Units

Example

In the sample chart below the Applicant projects increases in monthly production each quarter AND estimates fully expending all previously awarded NFMC funds by July 31, 2010.

Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010
400	400	400	450	450	450	500	500	0	0	0	0

5. **Explain local market conditions or other issues that are prompting you to request NFMC Round 4 funding in addition to your NFMC Round 2 and/or Round 3 award.** Provide a detailed overview of why you are asking for additional NFMC funding. Present quantitative evidence such as delinquency data or housing market characteristics that illustrates the need and demand for counseling. You might also describe the availability (or lack thereof) of counseling from other organizations, other sources of funding for counseling, or how counseling is linked to economic recovery in your service area. Plans to target Round 4 funding to underserved populations should also be noted. If you project in question 4 that you will not fully expend your Round 2 and/or 3 award until late in 2010 you must provide clear evidence that you need the additional Round 4 funding (which must be completed by December 31, 2010) in order to meet demand.
6. ***This question is required of Applicants that have received previous NFMC grant awards, Round 1, Round 2 and/or Round 3.***

Describe any challenges you have experienced in implementing your previous NFMC award(s). Discuss plans or procedures you have put in place to address these challenges. Any challenge your organization experienced may be addressed in your response, but examples include: staff turnover, hiring new staff, training new and existing staff, quality control, managing change in counseling demand, marketing and outreach, grant administration and reporting, data management, and reaching projected goals. Where possible and appropriate, quantify your challenges and the impact of the solutions you implemented. For example, instead of just citing problems with staff turnover, quantify the staff turnover and how it affected your counseling activity. When you describe the solutions you implemented, quantify recent staff turnover and progress towards achieving counseling goals.

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Factor 2: Capacity of Applicant & Staff Page 1

APPLICANT ELIGIBILITY

All Applicants must check Question 1 AND select either box “A” or “B” to note your HUD approved status or that you meet or exceed HUD’s minimal standards for approval as a HUD housing counseling agency. If you cannot complete this question you are not an eligible Applicant.

1. **Applicant is a chartered member of the NeighborWorks® network in good standing (defined as having a charter which is not provisional) ***

AND

- A. **A HUD approved housing counseling agency**

OR

- B. **Applicant meets or exceeds HUD’s minimal standards for approval as a HUD housing counseling agency (<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>)**

2. **Indicate whether your organization plans to seek additional NFMC Round 4 funding (i.e., separate from this application) through a HUD intermediary or State HFA. * Simply respond “Yes” or “No”. NFMC seeks to understand if you are applying for**

additional NFMC funding in Round 4 as part of one or more HUD Intermediary or State HFA application(s). If you answer “Yes” to Question 2, Questions 2A-2D must be completed as well. **If you answer “No”, proceed to Question 3.**

- 2A. Describe why multiple NFMC applications are critical to meet the foreclosure counseling needs in your service area.** Provide an in-depth narrative explanation as to why your NeighborWorks® organization (NWO) has chosen to be part of two or more NFMC applications in Round 4. Reasons may include, but are not limited to, an extremely high demand for foreclosure counseling or an existing relationship with an Intermediary or HFA.
- 2B. In order to apply for funding directly as an NWO and under an intermediary or HFA, Applicants must (a) track and report both customer level and aggregate data via electronic data files and (b) segregate customers by funding source so that no double-billing shall occur. Describe your ability to do BOTH of these items below.** You will need to provide evidence of your ability and experience in tracking all counseling data electronically, as well as how you ensure that customer files are kept separate by funding source. Be specific in describing your process, your counseling management system, and offer examples of how you can accomplish this.
- 2C. Complete the chart below to indicate the number of units of counseling your organization is projecting to complete using NFMC Round 4 funding, both directly and through any Intermediary or State HFA Round 4 application(s). Click on the Save button to calculate the Totals.** This table allows NFMC to determine your overall foreclosure counseling goal NFMC Round 4, as it relates to NFMC funded activity. Your figures in the first row of this chart must match your figures from the chart in Factor 3, Question 4 (Round 4 Goal) of your application. Once you enter the figures for the intermediary or HFA application(s) which you are part of, hit save to see your total NFMC Round 4 Goal at the bottom of the chart.

EXAMPLE

NFMC Round 4 Applications	“Level One” Counseling	“Level Two” Counseling	Total
Number of NFMC Round 4 counseling units proposed by your organization as the Applicant. <i>Figures for this row must match your figures in Factor 3, Question 4.</i>	250	400	650

NFMC Round 4 Applications	“Level One” Counseling	“Level Two” Counseling	Total
Name of Partnering organization/Intermediary/HFA Texas HFA	200	200	400
Organization’s Total NFMC Round 4 Counseling Goals	450	600	1,050

2D. Upload a copy of letter(s) sent to all partnering organizations, Intermediary or State HFA Applicants that you are working with, informing them of your intent to apply in Round 4 under multiple NFMC applications. Please combine all letters and upload in one file. Letters should detail the NFMC Round 4 counseling goals and other activities you are projecting under each grant. Please upload document in the space provided. If your upload consists of multiple documents please use a compression program such as WinZip to compress the files for a single upload. Click the Browse Computer button and select the file you would like to upload. Once selected, click “Save” on the page to confirm your choice and upload the document. Once the upload is complete you will have the option to delete your upload and choose another document if necessary. This will not delete the file from your computer; it will remove the uploaded file from our GrantWorks system and allow you to replace it with another from your computer.

Click “save” before moving on to the next page.

Factor 2: Capacity of Applicant & Staff Page 2

3. Has your organization ever had HUD Housing Counseling funds recaptured or de-obligated? * Simply answer “Yes” or “No”. If you answer “Yes”, you must complete Questions 3A-3C. If you answer “No”, proceed to Question 4.

3A. Date the recapture or de-obligation occurred. Enter the date the event occurred.

3B. Explain why the HUD Housing Counseling funds were recaptured or de-obligated. Fully explain the events or circumstances that led to the funds being recaptured or de-obligated.

3C. What steps did your organization take to correct the issues that led to the funds being recaptured or de-obligated? Of particular interest are the changes your organization has implemented, or is planning to implement, to prevent such events occurring in the future. Please also indicate your timeline for fully implementing these corrective actions.

4. Does your organization or any counseling organization have outstanding issues from compliance monitoring or other on-site reviews from HUD? * Simply answer “Yes” or “No”. If you answered “Yes”, please complete questions 4A and 4B to fully explain the causes of these outstanding compliance issues. Of particular interest are the changes your organization has implemented to come into compliance with HUD. Please also indicate a timeline for these changes and the date by which you expect to be in full compliance.

4A. Date the monitoring or review occurred. Enter the date.

4B. Explain the issues identified and steps taken to resolve those issues. Your response should provide convincing evidence that the cause(s) of the recapture and/or de-obligation have been addressed and corrected.

EXPERIENCE OPERATING A FORECLOSURE INTERVENTION COUNSELING PROGRAM

5. How long has your organization offered foreclosure intervention counseling? * Please select the correct response from the provided pull down menu. Be sure to include experience specifically related to foreclosure counseling, not general housing counseling. Select one:

- 12 months or less
- 13 – 36 months
- 37 – 60 months
- 61 months or longer

6. Describe your organization’s service delivery model. Existing NFMC Grantees must also discuss any enhancements made to your service delivery model in order to improve the efficiency and effectiveness of your foreclosure counseling program in Round 4.*

Describe your organization’s model for delivering foreclosure intervention counseling to homeowners. Be precise and fully describe the model, with emphasis on any aspects that may be unique. Existing NFMC grant recipients should give additional description of

improvements or changes you have made with since being awarded funding, and provide quantitative evidence on how those adjustments have improved your program's efficiency and/or effectiveness.

Applicants who directly employ counselors themselves, or whose Sub-grantees/branches work under a unified program delivery model, should be certain to address the following topics in your description:

- a) **intake and triage procedures**, including expected response time to each homeowner's request for counseling
- b) **method(s) of counseling used**, including face to face, phone, internet, email, and/or group education/workshops
- c) **counseling staff roles**, including if counselors or other staff that work with foreclosure counselors (intakers, negotiators) are full-time, part-time, or volunteer; and if they are fully dedicated to foreclosure services, or if counselors or other staff split their time between counseling and management or other programs
- d) **staffing models** – describe if counselors or other staff complete all portions of foreclosure counseling or if they are specialized in any way to handle only certain aspects of the process. (For example, some counselors do only intake and budget counseling, while other counselors are dedicated to securing outcomes and all negotiations with servicers)\
- e) **data collection**, consolidation, and reporting procedures, and
- f) **methods of communicating** with loan servicers during the counseling process.

7. Indicate which of the following best describes your organization: * Simply select the one correct response from the three choices listed.

Your organization provided foreclosure intervention counseling services which include documented action plans to at least 50 people during the past year or 20 people during the most recent quarter.

75% or more of your organization's service area is in a rural area, as defined in the Application Guide, AND your organization provided foreclosure intervention counseling services which include documented action plans to at least 25 people during the past year, or 10 people during the most recent quarter.

Your organization has provided foreclosure counseling services which include documented action plans to at least 12 people during the past year AND has at least one comprehensively trained and qualified foreclosure counselor.

8. Describe in detail your organization's past performance in delivering foreclosure counseling services. Topics to address include without limitation: counseling capacity; demonstrated successful outcomes for homeowners; foreclosure outreach and marketing activities; partnerships with financial institutions; and success in facilitating workouts with mortgage servicers. If your organization was awarded funding under previous NFMC rounds, also describe how that funding has

affected your capacity, outreach, and program outcomes.* Your response to this question should be detailed and comprehensive, providing quantitative evidence when possible. Don't forget to include information on how previous funding has affected your capacity, outreach and program outcomes.

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Factor 2: Capacity of Applicant & Staff Page 3

9. List counseling staff or volunteers currently available, their months of experience in foreclosure intervention counseling, and training or certifications obtained. * Example in chart below. Be certain to list foreclosure counseling experience in Column B in months (not years).

Column A	Column B	Column C	Column D	Column E
Enter the Counselor Name	Months of <u>Foreclosure Counseling</u> Experience	Has counselor received <u>foreclosure-specific</u> training or certification?	<p>If “Yes” in Column C, enter name of <u>foreclosure-specific</u> training or certification obtained and the source of that training for each counselor (does not have to be NeighborWorks or NFMC-specific training).</p> <p>Also provide date and location (city, state) of any training completed or certification obtained in the last 24 months.</p>	Estimated Number of individual <u>foreclosure</u> clients this counselor has provided counseling to in his/her career.
John Doe*	6*	<input type="radio"/> Yes <input checked="" type="radio"/> No		34*
Amy Vang	11	<input checked="" type="radio"/> Yes <input type="radio"/> No	NCHCEC Certification in Foreclosure and Default Counseling obtained 2/2008 in Atlanta, Georgia	215
Karen Smith	47	<input checked="" type="radio"/> Yes <input type="radio"/> No	NCHCEC Certification in Foreclosure and Default Counseling obtained 5/2008 in Chicago, Illinois. Also completed HUD	385

			foreclosure 2 day training 11/2007 in Dallas.	
Total Counselors: 3	Average Experience: 21.3 months	% of Counselors with Training: 67%		Average Experience: 211

MEASURING RESULTS

10. **What Client Management System (CMS) will your organization use to report NFMC program results? Check all that apply.** * Indicate any and all systems used by you (and, if applicable your branches) to track counseling data and outcomes.

- CounselorMax**
- Home Counselor Online**
- Nstep**
- NFMC Microsoft Excel Template**
- Other System, please specify and describe.** If you use a system other than the 4 listed above, please name and describe it. Include the primary functions of the system, how long you've used it for foreclosure client data management, and who provides the technical support.

11. **If your organization has multiple branches, or if you are contracting out a portion of your counseling services in accordance with the NFMC Round 4 Funding Application, and they do not all use the same CMS system (or you checked "Other System" above), please explain how you will ensure each entity's foreclosure counseling data is collected, consolidated, and then consistently reported to NFMC. If you are an existing Grantee, please describe any improvements you've made to your approach or system since the NFMC program began.** It is important to demonstrate a comprehensive and reliable process and system for managing counseling data, and this is especially true if you, your branches and/or subcontractors do not all use the same system. Your description should include information such as the software programs being used; how data are entered or uploaded by the branches and/or subcontractors to your system; data quality control systems; and how you ensure that counseling recipients are not duplicated in the system.

If you are an existing Grantee, describe improvements you have made to your collection and reporting approach or CMS system under the NFMC program, and (where applicable) provide evidence that these changes have improved your data collection and reporting. **Click "save" before moving on to the next page.**

Factor 3: Proposed Counseling Services

NFMC is concerned about the reasonableness of your counseling goals, your capacity to oversee these funds, and your demonstrated ability to provide the highest quality foreclosure intervention counseling services. Your projected NFMC Round 4 goals (listed in question 4 below) will determine the maximum counseling award you can receive. However, your responses to other questions will weigh heavily in the final award determination.

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

In the tables below (questions 2 to 5) please fill out the estimated number of foreclosure intervention customers served (or projected to be served in this application). Please refer to each question within the Factor for further instruction.

Definitions of Counseling Levels

Counseling can include a range of activities depending on the client's financial situation and the severity of the mortgage delinquency. Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will take longer to resolve. Recognizing this, NeighborWorks has developed a tiered structure for defining and estimating the cost of counseling activity, as described below. For the purpose of projecting counseling budgets, the value of Level One counseling has been set at \$150 and Level Two at \$300. Definitions of counseling levels can be found in the Funding Announcement under "Eligible Activities". Note: NFMC Round 4 does not include a Level Three counseling designation. All clients previously reported as Level Three will now be considered twice – once at Level One and once at Level Two.

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

1. Organization must conduct an intake including client name and address, basic demographic information, lender and loan information, and reason for delinquency. The National Industry Foreclosure Counseling Standards provide guidance on what should be included in an Intake Form (See Exhibit 5 of this document and www.nw.org/nfmc). It is recommended, but not required, that contact information for one additional person be collected at intake in the event that client moves or is otherwise unable to be reached following initial intake.
2. Organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the data collection system for this grant, (b) open

files to be reviewed for program monitoring and compliance purposes, and (c) conduct follow-up with client related to program evaluation. Clients may opt-out of (c) above only, but proof of this opt-out must be retained in the client's file. Organization must also allow client access to its privacy policy statement. NeighborWorks will make a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms.

3. Organization must develop a budget for the client based on client's oral representation of their expenses, debts, and available sources of income.
4. Organization must develop a written Action Plan for follow up activities to be taken by the client and review this Action Plan with the client. The National Industry Foreclosure Counseling provide guidance on what should be included in an Action Plan (See Exhibit 5 and www.nw.org/nfmc). When developing this action plan, it is expected that the counselor will do a comprehensive analysis of the homeowner's situation and recommend the best plan of action. If the homeowner seeks counseling to determine whether they qualify for the *Making Home Affordable* Program, the counselor must work to determine the homeowner's eligibility before completing the Level One session. If the homeowner seeking counseling does not ask about the program, it is expected that the Level One session will include a screening for eligibility. Documentation that a screening occurred must be included in the client file.
5. Organization must determine and document if client is eligible for a *Making Home Affordable* Program refinance or modification.
 - *Refinance.* Organization must determine and document eligibility by asking client if: (a) client is the owner occupant of a one- to four-unit home; (b) client's loan is owned or guaranteed by Fannie Mae or Freddie Mac – counselor will verify this by checking the GSE's web look-up tools; (c) client is current on mortgage (client hasn't been more than 30 days late on mortgage payment in the last 12 months, or, if client has had the loan for less than 12 months, he/she has never missed a payment); (d) the amount client owes on the first mortgage is 125% or less of the house's current value; (e) client has income sufficient to support the new mortgage payments; and (f) the refinance improves the long-term affordability or stability of the loan.
 - *Modification.* Organization must determine and document eligibility by asking client if: (a) the mortgage loan is a first lien mortgage loan originated on or before January 1, 2009; (b) the mortgage has not been previously modified under the Home Affordable Modification Program (HAMP); (c) the mortgage loan is delinquent or default is reasonably foreseeable; (d) the property securing the mortgage loan is not vacant or condemned; (e) the mortgage loan is secured by a one- to four-unit property, one unit of which is the borrower's principal residence; (f) client's current monthly mortgage payment ratio is greater than 31%; and (g) the current unpaid principal balance of the mortgage is

less than \$729,750 for a one-unit property, \$934,200 for a two-unit property; \$1,129,250 for a three-unit property; and \$1,403,400 for a four-unit property.

- *FHA Loans.* Organization must determine and document eligibility by requesting information and analyzing if: (a) the client is the owner of a one- to four-unit home; (b) the client is less than 12 payments behind on their mortgage; (c) client has income sufficient to support the new mortgage payments; and (d) with the modification, the client's front end DTI will be more than 31% and their back end DTI will be less than 55%.

When billing for Level One activities, all 5 of these completed documents must be in client file: intake, authorization form, budget, Action Plan, and MHA eligibility determination. NWOs are responsible for ensuring proper documentation exists in client files at each of their subcontractor or branch offices.

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

1. Engage in budget verification during which the counselor reviews documented evidence provided by the client to establish true debt obligations (e.g., credit report), monthly expenses (e.g., monthly bills and banks statements) and spending patterns, and realistic opportunities for income (e.g., returns and pay stubs).
2. If not already on file, organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow agency to (a) submit client-level information to the data collection system for this grant, (b) open files to be reviewed for program monitoring and compliance purposes, and (c) conduct follow-up with client related to program evaluation. Clients may opt-out of (c) above only, but proof of this opt-out must be retained in the client's file. Organization must also allow client access to its privacy policy statement. NeighborWorks will make a template authorization form available for Grantees to modify for their own use if they do not already have such a form. Alternatively, Grantees may incorporate the language above into their existing authorization forms.
3. Steps to obtain a solution outlined in the written Action Plan are taken and documented using counseling notes that indicate date counseling occurred. This could include but is not limited to the following:
 - a. Draft and submit to the servicer a hardship letter that describes the client's situation, reason for delinquency, factors that should be considered when developing a workout plan, and an estimate of the housing cost the client can afford to pay;
 - b. Document an attempt to contact the servicer or lender and, if a workout is possible, fill out and submit forms required by the servicer to move forward with a workout plan, loan modification or other available program. NeighborWorks will

- endeavor to post e-mail contact information for servicers who have made such information available at www.nw.org/nfmc so documentation of attempts to reach servicers is easily captured;
- c. Complete and submit application for local resource options including refinance programs or rescue funds; and
 - d. Assist in situations where client elects to pursue sale options.
4. Close-out documentation is completed. For purposes of this grant, “close-out documentation” refers to the documentation of steps taken in #3 above in order to report this client as having received Level Two counseling. All files need to contain reason for close out and, if applicable, any documentation demonstrating solution. Client data may be uploaded into the data collection system before an outcome is reached, as long as close-out documentation for NFMC reporting purposes is in client file.

When billing for Level Two activities, all of these completed documents must be in client file: authorization form, verified budget, documentation of steps taken based upon Action Plan, and close-out documentation. Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of their Sub-grantee or Branch offices.

“Level Three” Counseling: This level of counseling is not an option in Round 4. If you have questions, please contact NFMC. All clients previously reported as Level Three will now be considered twice – once at Level One and once at Level Two.

Making Home Affordable/Post-Mitigation Counseling

In addition to the funding categories described above, the National Foreclosure Mitigation Program allows Grantees to use up to 30% of Counseling Awards to fund “Level Four,” or Making Home Affordable post-mitigation, counseling. Borrowers who qualify for Making Home Affordable loan modifications but have back end debt-to-income ratios at or above 55% will receive trial loan modifications from participating servicers and be referred by the servicers to a HUD-approved housing counseling agency or NFMC Program participating agency. A detailed protocol describing the required components of this counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf> and further information is in the Round 4 Funding Announcement. Applicants will not be asked to predict their Level Four activities later in Factor 3. Applicants will simply be asked whether or not they intend to provide Level Four counseling.

Counseling Table Instructions

In this section Applicants are asked to indicate the number of Level One and Level Two counseling customers they have provided between January 1, 2009 and December 31, 2009 and will provide between December 1, 2009, and December 31, 2010. . **Simply click on the “save” button after you have entered your data in each table to view such auto-calculated fields.** Please do not leave any cell blank, but rather enter “0” in cells where your answer is “zero” or “none.”

1. Did your organization provide foreclosure counseling that was not funded by NFMC during the time period January 1, 2009 and December 31, 2009? * NFMC seeks to understand if you provided foreclosure counseling during this period that was financially supported by other sources, including, but not limited to, financial institutions, mortgage servicers, investors, HUD, and non-profit foundations. If you respond “No” to this question proceed to Question 3. [Note: if you respond “No,” NFMC will use recipients’ Round 1, Round 2, and Round 3 reporting (where applicable) to calculate NFMC-funded counseling units between January 1, 2009 – December 31, 2009.]

2. For those that answered “No” to question 1 above, in the table below, indicate the number of Level One and Level Two counseling customers Applicant has assisted between January 1, 2009 and December 31, 2009 with NFMC funds or any other funds. Demonstrated Experience, found at the bottom of the table, will be calculated one of two ways: 1) the sum of Q1 2009 through Q4 2009, OR 2) the most recent quarter (Q4 2009) multiplied times four. Which ever number represents the largest number of counseled homeowners will be displayed and used as the Applicant’s demonstrated experience throughout this application. In the example below, Q4 2009 *annualized* (multiplied by 4) is the larger figure for Level One and thus is displayed as the demonstrated experience. *

DEMONSTRATED EXPERIENCE										
Number of Customers Receiving Foreclosure Counseling – include both NFMC and non-NFMC funded clients										
Click on the Save button to see the totals and Demonstrated Experience										
	“Level One” Counseling					“Level Two” Counseling				
	1/1/09 – 3/31/09	4/1/09 – 6/30/09	7/1/09 – 9/30/09	10/1/09 – 12/31/09	Total	1/1/09 – 3/31/09	4/1/09 – 6/30/09	7/1/09 – 9/30/09	10/1/09 – 12/31/09	Total
2. Foreclosure counseling provided between 1-1-09 to 12-31-09 through all sources of funding.										
	175	215	222	250	862					
Include in this question customers counseled using previous NFMC funds as well as funds from other sources. If you have provided Level 3 counseling in the past, for each Level 3 customer served, add										

1 to the Level 1 column and 1 to the Level 2 column. Demonstrated Experience will display the larger of either the four quarters in sum OR Q4 2009 <i>annualized</i> for each counseling level.										
	Demonstrated Experience: 1,000					Demonstrated Experience:				

TOTAL DEMONSTRATED EXPERIENCE: 1,000

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

3. Initial Counseling Goals *

In the chart below, please enter your total goals for Level One and Level Two foreclosure counseling which you expect to complete between 12/1/2009 and 12/31/2010 without receive NFMC Round 4 funding. If NFMC will fund or contribute to funding 100% of your clients, enter zero in each column. If you have other funding sources and will continue to provide some counseling even without a NFMC Round 4 award, indicate the number of units you have funding to complete.

Example: Assumes Applicant has \$100,000 grant from another source.

Counseling Level	Goal between 12/1/09 and 12/31/10
Level 1	500
Level 2	83
Total Initial Counseling Goals	583

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

Example: NHS of Main Street, with the aid of NFMC Round 4 funds, proposes it could counsel an additional 750 clients between December 1, 2009 and December 31, 2010. The breakdown by counseling level would be as follows: Level One = 500 and Level Two = 250. NHS of Main Street would enter these new goal numbers in the quarterly format below:

NFMC ROUND 4 GOALS										
Number of Customers Receiving Foreclosure Counseling with NFMC funds										
Click on the Save button to see the totals										
	“Level One” Counseling					“Level Two” Counseling				
	12/1/09 – 3/31/10	4/1/10 – 6/30/10	7/1/10 – 9/30/10	10/1/10 – 12/31/10	Total	12/1/09 – 3/31/10	4/1/10 – 6/30/10	7/1/10 – 9/30/10	10/1/10 – 12/31/10	Total
4. Round 4 Goal: Foreclosure counseling projected during the time period 12-1-09 to 12-31-10 <u>using NFMC Round 4 award only.</u> Do not include clients included in Question 3 above. * NOTE: Your total NFMC Round 4 Goal must equal your overall total of customers listed in Factor 4.	125	125	125	125	500	50	50	75	75	250

TOTAL NFMC ROUND 4 GOAL: 750

APPLICANTS SHOULD PRESS SAVE BEFORE PROCEEDING WITH THE FOLLOWING QUESTIONS.

5. Maximum Eligible Counseling Award

For the maximum eligible counseling award section GrantWorks will calculate the Applicant’s counseling level totals presented in Factor 3, Question 4 – Round 4 Goal -- and multiply by the corresponding cost for each Level (Level One x \$150 and Level Two x \$300.) GrantWorks will automatically total all levels and costs to determine the maximum NFMC counseling award your organization is eligible to receive. The example below is based on the figures entered in the sample chart for NHS of Main Street in Question 4 above.

Maximum Eligible Counseling Award - Round 4		
Click on the Save button to see the calculated MAXIMUM ELIGIBLE COUNSELING AWARD (Round 4)		
	“Level One” Counseling	“Level Two” Counseling
5. Calculated Maximum Eligible NFMC Round 4 funds to be awarded from the NFMC Round 4 Goal numbers in Question 4 above.	Level One NFMC Round 4 Goal (from Question 4) x \$150	Level Two NFMC Round 4 Goal (from Question 4) x \$300
MAXIMUM ELIGIBLE COUNSELING AWARD PER LEVEL	\$75,000	\$75,000
TOTAL MAXIMUM ELIGIBLE COUNSELING AWARD ROUND 4	\$150,000	

NOTE: The maximum allowable grant request for this application is \$8,910,000 million (of which \$7,016,000 million could be utilized for counseling) and the minimum allowable grant request is \$50,000 (of which \$41,670 could be utilized for counseling). If the amount listed here exceeds \$7,016,000 million, you must reduce your Round 4 Goal figures in Factor 3, Question 4. If the amount listed here is

less than \$41,670, you must add to your Round 4 Goal figures in Factor 3, Question 4. Click “save” once you have edited your projected counseling goals to see if your total maximum eligible counseling award is now within the minimum and maximum limits set for this application. If your request exceeds \$8,910,000 million, or is less than \$50,000 your application will not be eligible for funding. An error check will not allow you to submit an application that does not fall within this range.

Factor 3: Proposed Counseling Services Page 2

Question 6: In this table please list the number of additional counselors you will need to accomplish your Round 4 Goal (from question 4 above) if awarded NFMC funds as requested in question 5. If you would not need to hire any additional counselors to achieve these goals, you should enter “0” in each column.

Number of Additional Foreclosure Intervention Counseling FTEs Needed to Reach NFMC Round 4 Counseling Goal					
Click on the Save button to see the totals.					
	Additional Counseling FTEs Needed				
	12/1/09 – 3/31/10	4/1/10 – 6/30/10	7/1/10 – 9/30/10	10/1/10 - 12/31/10	Total
6. Number of foreclosure intervention counseling FTEs you will need to hire (new), reallocate and train (existing staff), or otherwise recruit (volunteers) to meet the Round 4 counseling goals in Question 4. If you have no need for additional counselors for any quarter, enter “0”. *	1	1	0	0	2

7. Indicate whether your organization intends to offer Level 4 Counseling. * Applicants should respond “Yes” or “No” after reading the detailed definition of Level 4 Counseling presented here. You will not be held to your response to this question; NFMC is asking this purely for informational purposes only.

Level 4: Making Home Affordable/Post-Mitigation Counseling

The National Foreclosure Mitigation Program allows Grantees to use up to 30% of their Counseling Awards to fund “Level Four,” or Making Home Affordable post-mitigation, counseling. Borrowers who qualify for Making Home Affordable loan modifications but have back end debt-to-income ratios at or above 55% will receive trial loan modifications from participating servicers and be referred by the servicers to a HUD-approved housing counseling agency or NFMFC Program participating agency. A detailed protocol describing the required components of this counseling is found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

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

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

Level Four Counseling constitutes the completion of the following:

Borrower has received a temporary loan modification through the “Making Home Affordable” program and is referred to counseling by a Servicer. The counseling must follow the Counseling Protocol available on HUD’s web site at: <http://www.hud.gov/offices/hsg/sfh/hcc/hcprotocol.pdf>.

The preliminary counseling session must include collection of the following (in addition to the client-level data points) to be reported to NFMFC as Level Four:

Level 4a

- 1) Organization shall keep on file proof that client was referred to the agency with a trial Making Home Affordable loan modification for Level Four counseling. In many cases, this will be a copy of the trial loan medication agreement or the counseling agency referral letter from the servicer.

- 2) Organization shall collect a signed authorization form from the client or have other legally-permissible client authorization on record that will allow organization to: (a) submit client-level information to the data collection system for this grant; (b) open files to be reviewed for program monitoring and compliance purposes and to share information among servicer, counselor, and program administrators and their agents; and (c) conduct follow-up with client related to program evaluation. Clients may opt out of only (c) above, but proof of this opt-out must be retained in the client's file. Organization must also allow client access to its privacy policy statement.
- 3) Documentation of DTI: The counselor will verify income, debt, and expenses and calculate back end debt-to-income ratio. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol.
- 4) Create Budget: Counselor will create a crisis budget (if necessary) and long-term budget using standard form and recalculate new back end debt-to-income ratio
- 5) Create Action Plan which includes a timeline to eliminate unnecessary debt, minimize expenses, increase income, and increase savings
- 6) Discuss terms of mortgage and how to stay current, even if/when rate resets. Explain incentive component and that redefaulting loans will be terminated from the program. A loan will be considered to have redefaulted when the borrower reaches a 90-day delinquency status under the MBA delinquency calculation. Note: in order to successfully complete the initial trial period (at minimum three payments at modified terms), a borrower must be current by the third payment.
- 7) Refer to job training or referral programs if applicable
- 8) Establish follow-up schedule with counselor, with at least one additional appointment, as required by action plan. It is expected that a borrower will notify their counselor if they have a significant change in circumstances.
- 9) Establish that budget (including analysis of actual income, debt and expenses) must be tracked over the course of counseling
- 10) The counselor must document each session, including the borrower's back end debt-to-income ratio and the borrower's willingness to continue/complete counseling

In order to report a client as having received Level 4a counseling, the following six documents must be in the file: proof of referral from servicer, authorization form, verified budget at intake, documentation of back end DTI, Action Plan, and date of follow-up meeting.

Level 4b

Level 4b can be reported when Level 4a client has completed one follow-up session and the following has been verified:

- 1) Documentation of DTI: The counselor will verify income, debt, and expenses and calculate back end debt-to-income ratio at time of follow-up appointment. The back end DTI is the ratio of the borrower's total monthly debt payments to the borrower's Monthly Gross Income. A standard for calculating back end DTI is included in the Counseling Protocol.
- 2) Documentation of borrower's ability to keep to crisis budget and/or long-term budget and progress against Action Plan developed during first visit
- 3) Status of borrower's payment on modified loan

In order to report a client as having received Level 4b counseling, the following four documents must be in the file: verified budget at time of second appointment, documentation of back end DTI at time of second appointment, progress against Action Plan and status of borrower's modified loan.

- 8. If you received NFMC Round 2 or Round 3 funds, do you expect to complete your total NFMC goals as listed in your Grant Agreement, before June 30, 2010?** NFMC Round 2 or Round 3 award recipients should respond "Yes" or "No" with regard to their current projection for reaching their production goals. If you respond "Yes" proceed to question 9; If "No" continue with Question 8A.

8A. If "No", explain why additional NFMC Round 4 funds are necessary and how you will ensure all Round 4 funds are fully expended by December 31, 2010. The official end date of both Round 2 and Round 3 is June 30, 2010. Extensions may be granted by NFMC on Round 3 funds. If you were to receive Round 4 funds, those funds would be available retroactively to December 1, 2009 and need to be fully expended by December 31, 2010. In your response you must provide a clear and convincing case first for the need for additional funds in Round 4 (if you have funds remaining), AND provide quantitative evidence that you will be able to expend all awarded funds by their proposed deadlines.

- 9. Describe your staffing structure and strategy for recruiting, orienting, training and compensating any newly hired counselors/staff under this program, especially in light of the fact that the funds are time-limited. Also give consideration to caseload size and managerial oversight. Applicants that received previous NFMC awards should also describe how those funds have been used to recruit, train, and compensate counselors hired since October 1, 2008. ***

Provide a detailed hiring and training plan that is specific in terms of the number of staff to be hired, training to be provided, and compensation offered. This plan should also address how you will supervise, oversee, and handle quality assurance with regard to new hires and what size caseload is expected of them. If significant hiring is needed explain how you will recruit and compensate those employees given the fact that NFMC funding is time-limited. Include information such as how you plan to advertise for new staff, what skills or qualifications you will be looking for, the compensation rate, and whether you anticipate difficulty attracting qualified employees. If you are fully staffed and do not project needing to hire additional counselors please indicate this in your response, but describe any additional training your staff may need to successfully complete NFMC Round 4.

For previous NFMC grant recipients, please also report on your successes and challenges hiring and training new counselors since October 1, 2008. For example, if you had to hire and train new staff in previous rounds please indicate whether you were successful in meeting those targets and what training or certifications they completed. Describe whether the conditions that led to your success in previous rounds will be present in Round 4. If you encountered specific challenges, describe how you overcame them and whether you expect the same difficulties to be present in Round 4.

10. Describe your organization's capacity to track which level of counseling has been provided. * Explain clearly how the proposed counseling levels will be monitored, tracked, and submitted electronically to NFMC. You will be responsible for ensuring that branches and/or subcontractors submit accurate reports and that required documentation is maintained in client files. In responding to this question, it would be most helpful to describe in sequence the steps from data entry completed by individual counselors, to how branches and/or subcontractors will aggregate and report the data to you, and finally how you will track counseling provided against your NFMC Round 4 targets.

11. If you do not propose to offer both levels of counseling, please describe partnerships or other arrangements you have in place to ensure homeowners can receive the level of counseling you will not be offering. Explain how you will be certain homeowners have access to both levels of counseling. Describe written agreements you have with other counseling providers, or other strategies you plan to use. A response to this question is required if Factor 3, Question 4 has a "0" in the total column for either Level 1 or Level 2.

You can also reference how you will accomplish both levels of counseling in your response to question 12 below.

12. Describe any partnerships you have established, or foreclosure task forces in which you are involved, that are designed to help homeowners facing default and foreclosure resolve their mortgage delinquencies. Examples may include, without limitation, partnerships with financial institutions or servicers, or involvement in local or state government initiatives in your service area. Only describe partnerships or initiatives in your proposed service area that are active

now or that will be in place before April 1, 2010.* Provide a detailed overview of not only the partners involved, but also the goals, outcomes and accomplishments of the partnership(s) or initiatives. Address specifically how they will help homeowners facing default and foreclosure resolve their mortgage delinquencies. If any portion of these partnerships or initiatives is still developing, present evidence they will be in place and operating by April 1, 2010.

- 13. Describe your strategy for identifying, marketing to, and attracting homeowners who are delinquent or in default on their mortgages, or at risk of becoming delinquent or in default on their mortgages. This should include any partnerships you have established with other organizations to help you identify and reach out to customers.** * Provide a detailed explanation of your existing/most recent outreach strategy that includes specific data and evidence supporting your success in reaching targeted homeowners. Please note marketing strategies in the MSAs you serve, or the largest ones if you serve many MSAs. Please also note if you have had trouble marketing in these MSAs in the past. Your response should also describe your outreach and marketing plan for Round 4. Include evidence that illustrates your marketing and outreach plan will successfully reach the number of homeowners listed in your Round 4 Goal from Question 4 above. For example, if you plan to double your counseling goals compared to the last 6-12 months demonstrate that your outreach strategy will be effective at reaching the additional homeowners to be served. Describe any partnerships in place to help with outreach, including relationships with mortgage servicers, other non-profits, government agencies, mortgage insurers, and public relations and marketing firms.

PROGRAM-RELATED SUPPORT

Refer to the following list in answering Questions 14-16C. Examples of how Program-Related Support may be used include (but are not limited to) the following:

- Establishing a triage system that makes more effective and efficient use of counseling time so counselors are not scheduling and reserving time with clients seeking help with situations not related to mortgage and home foreclosure. Triage can also ensure that clients are better prepared for the counseling session – they have gathered documents and information, for example.
- Outreach to delinquent clients, especially in areas of greatest need. The earlier a delinquent homeowner reaches out for assistance, the more probable the success. Outreach strategies to encourage delinquent homeowners in Applicant's communities to come for assistance well before the foreclosure notice is received are encouraged.
- Group orientation and education sessions to help use counseling time more effectively. Registering attendees, preparing for and delivering these sessions are all eligible uses.
- Infrastructure development and communication

- Improving Applicant capacity and infrastructure for tracking and reporting data
- Costs related to hiring, orienting, and training new counseling staff
- Purchasing or leasing equipment and software for counselors
- Collecting data and preparing quarterly reports and draw requests
- Quality control of the counseling function
- Outreach and communication on preventing rescue or loan modification scams

14. Program-Related Support Applicant is eligible for based on the Round 4 Counseling Goals; this is 20% of your Round 4 Counseling Goal from Factor 3, Question 5. Click on Save button to see the amount. Simply hit the save button to prompt GrantWorks to populate the amount that your are eligible to receive, based upon your total maximum eligible counseling award.

15. Describe how your organization will use the Program-Related support to achieve your projected NFMC Round 4 counseling goals in Factor 3, Question 4 under NFMC Round 4. Include major budget line items* Describe clearly how your requested Program-Related Support amount will be used to achieve Round 4 counseling goals. Show how your plan will increase the effectiveness and efficiency of your foreclosure counseling program. For example, upgrading technology might improve the speed and efficiency of data entry, or funds invested in training might help new staff improve the quality and effectiveness of their counseling. **Please also provide major budget line-items** and costs that are related to your proposed plan. These funds are not intended to be indirect or administrative fees; rather, they are meant primarily to support direct costs associated with increasing the effectiveness and efficiency of your foreclosure counseling program. If you plan to use some of your Program-Related Support to cover additional Level One or Two counseling please include that as a line item in your budget.

16. Do you plan to contract out some or all of your proposed activities under Program-Related Support?

Simply answer “Yes” or “No”. If you answer “Yes” you must answer questions 16A-C. if you answer “No” proceed to question 17.

16A. Describe which activities will be contracted out, and name the entity that will provide the services. Indicate whether any of these entities are related corporations or subsidiaries of the Applicant organization.

Here, please enter a description of the activities you will contract out, what organization you will contract them out to, and if/how the organization is affiliated with the Applicant organization.

16B. Describe the recent and relevant experience and expertise of the subcontractor(s). Justify why they are well-suited to performing the tasks described above. “Recent and relevant” means within the last 24 months. Provide specific examples of their success in undertaking similar tasks or services as those you are contracting with them to provide. Where possible, quantify for your response (for example, if they will supply training indicate the number of similar trainings they have offered in the last 24 months, and the number of people they have trained.)

16C. Describe how the contractor(s) will report to you and be held accountable for their performance under this grant. For example, describe a written and signed MOU or MOA; performance benchmarks; consequences of missing benchmarks; and other strategies for monitoring their use of Program-Related Support funds.

17. Do you plan to contract out a portion of your counseling services in accordance with the NFMF Round 4 Funding Announcement? * Simply respond “Yes” or “No”. If you respond “Yes” you must answer questions 17A-B. If you answer “No” proceed to Factor 4.

17A. Describe how your organization will ensure the quality of the counseling delivered and ensure compliance with the terms of the NFMF Program. Describe how you will ensure all contractors meet or exceed HUD’s minimal standards for approval as a HUD housing counseling agency (<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>).

Discuss who you will contract with and how you will guarantee they meet the requirements of the NFMF Program and HUD’s minimum standards before you contract with them.

17B. Describe how the contractor(s) that will be providing counseling will report to you and be held responsible for their performance under this grant.

Describe the reporting and oversight system you will adopt to ensure they are performing within the program’s parameters and you are able to adequately monitor their use of Round 4 funds.

Click “save” before moving on to the next page.

Factor 4: Proposed Geographic Service Areas

Important instructions that apply to all portions of Factor 4

Factor 4 will not be given a numeric score during the review process. However, information provided here will be used to determine geographic coverage and will help insure that required portions of the funds are awarded in defined areas of greatest need.

Note: For all of Factor 4, do not include in your figures any counseling units already funded through a previous NFMC award. The totals for all the questions in Factor 4 should equal the total number of counseling units you entered into Factor 3, Question 4 (Round 4 Goal).

Enter a check mark in any of the service areas in Factor 4 (MSA and/or Rural) where you propose to provide NFMC Round 4 counseling **and** indicate how many customers you plan to serve in each area.

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

Factor 4: Proposed Service to MSAs of Greatest Need

1. Select the Metropolitan Statistical Areas (MSAs) that are defined by NFMC as areas of greatest need that you propose to serve in NFMC Round 4. Check all that apply. New counseling goals proposed under NFMC Round 4 should not include any counseling for which you were awarded funding under previous NFMC grant rounds. They should also not include proposed counseling funded by sources other than NFMC Round 4. Estimate the total number of units of counseling you expect to deliver in each MSA that you check. Note that if a service area is checked, the system will require you to enter an estimate of counseled customers.

Example:		
Metropolitan Area	State	Estimate the total # of customers you expect to counsel in each MSA
<input checked="" type="checkbox"/> Bakersfield	CA	300
<input type="checkbox"/> El Centro	CA	

<input type="checkbox"/> Fresno	CA	
<input checked="" type="checkbox"/> Los Angeles-Long Beach-Santa Ana	CA	1000
<input type="checkbox"/> Madera	CA	
<input type="checkbox"/> Merced	CA	

Click “save” before moving on to the next page.

Factor 4: Proposed Service to MSAs NOT in Areas of Greatest Need

2. Select the MSAs that are NOT defined by NFMC as areas of greatest need that you propose to serve in NFMC Round 4. Check all that apply. New counseling goals proposed under NFMC Round 4 should **not include** any counseling for which you were awarded funding under previous NFMC grant rounds. They should also not include proposed counseling funded by sources other than NFMC Round 4. Estimate the total number of units of counseling you expect to deliver in each MSA that you check. Note that if a service area is checked, the system will require you to enter an estimate of counseled customers. At the end of the chart there is an option for Applicants to enter “other.” Use this option only if you are serving a tribal land that is not included in the MSA/rural definition. Do not use this section to list an area that is included in a larger MSA or rural area of a state. If you have questions about which MSA a particular service area falls into, please contact NFMC at nfmc@nw.org for guidance.

Example: Metropolitan Area	State	Estimate the total # of customers you expect to counsel in each MSA
<input type="checkbox"/> Anchorage	AK	
<input type="checkbox"/> Fairbanks	AK	
<input checked="" type="checkbox"/> Auburn-Opelika	AL	100
<input type="checkbox"/> Huntsville	AL	
<input checked="" type="checkbox"/> Hot Springs	AR	300

Click “save” before moving on to the next page.

Factor 4: Proposed Service to Rural Areas of Greatest Need

3. Select the states with rural areas that are defined by NFMC as areas of greatest need that you propose to serve in NFMC Round 4. Check all that apply. New counseling goals proposed under NFMC Round 4 should not include any counseling for which you were awarded funding under previous NFMC grant rounds. They should also not include proposed counseling funded by sources other than NFMC Round 4. Estimate the total number of units of counseling you expect to deliver in the rural areas of each state that you check. Note that if a service area is checked, the system will require you to enter an estimate of counseled customers.

EXAMPLE	States where rural areas ARE defined as Areas of Greatest Need	Estimate the total number of customers you expect to counsel in each rural area of the state
<input checked="" type="checkbox"/>	Alabama	425
<input type="checkbox"/>	Arizona	
<input type="checkbox"/>	Arkansas	575
<input type="checkbox"/>	California	
<input type="checkbox"/>	Connecticut	
<input type="checkbox"/>	Delaware	

Click “save” before moving on to the next page.

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

4. Select the states with rural areas that are NOT defined by NFMC as areas of greatest need that you propose to serve in NFMC Round 4. Check all that apply. New counseling goals proposed under NFMC Round 4 should not include any counseling for which you were awarded funding under previous NFMC grant rounds. They should also not include proposed counseling funded by sources other than NFMC Round 4. Estimate the total number of units of counseling you expect to deliver in the rural areas of each state that you check. Note that if a service area is checked, the system will require you to enter an estimate of counseled customers.

EXAMPLE	States where rural areas are NOT defined as Areas of Greatest Need	Estimate the total number customers you expect to counsel in each rural area of the state
<input checked="" type="checkbox"/>	Alaska	250
<input type="checkbox"/>	Colorado	
<input type="checkbox"/>	Idaho	
<input type="checkbox"/>	Kansas	
<input type="checkbox"/>	Massachusetts	
<input checked="" type="checkbox"/>	Missouri	250

Click “save” before moving on to the next page.

Factor 5: Targeted Outreach

Outreach to minority and low-income homeowners and zip codes

Please note questions 2 and 3 specifically speaks of homeowner groups that you may target and serve, compared to questions 5 and 6 which address service to zip codes. For example, an NWO may have decided to attempt to reach African American homeowners in their community by running ads on two radio stations that serve that audience. On the other hand, for questions 5 and 6, the NWO may elect to target two zip codes in the urban core, where foreclosure rates are twice the state average, by advertising in community newspapers, holding foreclosure fairs in the community center, or doing targeted post card mailers.

1. **Does your organization intentionally target foreclosure intervention counseling services to minority and/or low-income homeowners?*** Simply respond “Yes” or “No”. If you answered “Yes”, 1A – 1C are required. If you answered “No”, proceed to Question 2.

1A. If “Yes”, check which groups of homeowners you target. Check all that apply and indicate how many units of foreclosure counseling your organization provided to each group between 1/1/09 and 12/31/09. The total number for 1A should be less than or equal to the Demonstrated Experience in Factor 3, Question 2, or if you are a current Grantee and NFMC funds 100% of your clients, this number cannot be more than the number of clients uploaded into the Data Collection System between 1/1/09 and 12/31/09.

Example:

	Estimated # of counseling units provided between 1/1/09 and 12/31/09
<input type="checkbox"/> American Indian/Alaskan Native	
<input type="checkbox"/> Asian	
<input checked="" type="checkbox"/> Black or African American	757
<input type="checkbox"/> Native Hawaiian/Other Pacific Islander	
<input type="checkbox"/> Hispanic	
Total	757

1B. Check all that apply and indicate how many units of foreclosure counseling your organization provided to each group between 1/1/09 and 12/31/09. The total number for 1B should be less than or equal to the Demonstrated Experience in Factor 3, Question 1, or if you are a current Grantee and NFMC funds 100% of your clients, this number cannot be more than the number of clients uploaded into the Data Collection System between 1/1/09 and 12/31/09.

Example:

	Estimated # of counseling units provided between 1/1/09 and 12/31/09
<input type="checkbox"/> Families earning 50-79% of Area Median Income (AMI)	
<input checked="" type="checkbox"/> Families earning less than 50% of Area Median Income (AMI)	1,545

Total

1,545

1C. Describe how your outreach and marketing strategy is designed to specifically reach these homeowners. Include information about each group you selected above. Include how the outreach and marketing efforts were created for the groups listed and how it will help your organization achieve its Round 4 NFMC goals. For example, if Hispanic populations were targeted, you would describe the materials and advertising used, that it was printed in Spanish, and then identify the culturally appropriate outlets and community locations used to disseminate the material.

2. If you were to receive NFMC Round 4 funding, what percentage of your total counseling units would you commit to provide to low-income homeowners? * Enter the percentage of your total units in Factor 3, Question 4 that you commit to provide to low-income (e.g., below 80% area media income) homeowners. Combine all Level One and Level Two units in your response below. If you do not intend to provide counseling to low-income or minority homeowners, enter "0". **The percentage of units of counseling you commit to will be reflected in your Grant Agreement and will be a requirement for draw payment, so please only enter a percentage you are comfortable that your organization can achieve.**

3. If you were to receive NFMC Round 4 funding, what percentage of your total counseling units would you commit to provide to minority homeowners? * Enter the percentage of your total units in Factor 3, Question 4 that you commit to provide to minority homeowners. Combine all Level One and Level Two units in your response below. If you do not intend to provide counseling to minority homeowners, enter "0". **The percentage of units of counseling you commit to will be reflected in your Grant Agreement and will be a requirement for draw payment, so please only enter a percentage you are comfortable that your organization can achieve.**

4. Does your organization intentionally target foreclosure intervention counseling services to low-income and/or minority zip codes?* Follow this link to determine which zip codes are majority minority and majority low-income: <http://www.nw.org/network/nfmcp/documents/R4Zipcodes.xls>. After reviewing the website for a complete list of zip codes, please respond "Yes" if you intentionally target any of those zip codes in your marketing and outreach efforts. If you answered "Yes" to Question 4, please complete 4A. If you responded "No" proceed to question 4.

4A. If "Yes", describe your outreach and marketing strategy, including how you identify and define which zip codes to target. Provide details with regard to your outreach plan that specifically address how you first determine which zip codes

to target in your outreach, what methods you use to reach those areas effectively, and how it will help your organization achieve its Round 4 NFMC goals. For example, in zip codes that have high numbers of churches or other faith-based organizations you might establish a partnership with them to support your marketing and outreach efforts.

5. If you were to receive NFMC Round 4 funding, what percentage of your total counseling units would you commit to provide to people living in minority zip codes? * Follow this link to determine which zip codes are majority minority: <http://www.nw.org/network/nfmcp/documents/R4Zipcodes.xls>. Enter the percentage of your total units in Factor 3, Question 4 that you commit to provide to minority zip codes. Combine all Level One and Level Two units in your response below. If you do not intend to provide counseling to minority zip codes, enter “0”. **The percentage of units of counseling you commit to will be reflected in your Grant Agreement and will be a requirement for draw payment, so please only enter a percentage you are comfortable that your organization can achieve.**

6. If you were to receive NFMC Round 4 funding, what percentage of your total counseling units would you commit to provide to people living in low-income zip codes? Follow this link to determine which zip codes are majority low-income: <http://www.nw.org/network/nfmcp/documents/R4Zipcodes.xls>. Enter the percentage of your total units in Factor 3, Question 4 that you commit to provide to low-income zip codes. Combine all Level One and Level Two units in your response below. If you do not intend to provide counseling to low-income zip codes, enter “0”. **The percentage of units of counseling you commit to will be reflected in your Grant Agreement and will be a requirement for draw payment, so please only enter a percentage you are comfortable that your organization can achieve.**

Click “save” before moving on to the next page.

Factor 6: Match

FACTOR 6 WILL NOT BE GIVEN A NUMERIC SCORE; HOWEVER, MATCHING FUNDS MUST BE PROJECTED AT THE REQUIRED LEVELS AND FUNDS CANNOT BE DRAWN DOWN UNTIL EVIDENCE OF MATCH FUNDS EXPENDED OR COMMITTED, PROPORTIONATE TO THE DRAW REQUEST, IS DOCUMENTED.

Recognizing the limits of time and financial resources, match requirements are defined as follows: Applicants must provide a 20% match for \$500,000 or less in funding received from the NFMC Program. For funding in excess of \$500,000 the

required match rate drops to 10%. For example, an Applicant applying for \$1 million in funds would be required to demonstrate a match of \$150,000 in cash and/or in-kind resources.

- Match can be cash or in-kind (e.g., staff time, office space, volunteer time, donated equipment, etc.). In-kind valuation will be considered consistent with requirements for other federal grant programs. Guidance is posted at www.nw.org/nfmc.
- Applicant match must be related to Applicants' foreclosure mitigation program. This program must include foreclosure intervention counseling, but may also include such activities as triage, outreach, or mortgage workout funding (both grants and loans), plus any administrative or overhead expenses associated with the program.
- Match need not be new resources generated for this grant program, but must be related to foreclosure counseling rather than the Applicant's general housing counseling program.
- Other federal funds, with the exception of Community Development Block Grant (CDBG) Funds, may not be counted toward match requirements. Examples of federal funds ineligible for use as match include (but are not limited to) other HUD Housing Counseling funds, all previous NFMC awards (including Legal Assistance), HOME Funds, Neighborhood Stabilization Program, and grants awarded by NeighborWorks to its chartered members from Congressionally appropriated dollars.
- If grantee uses non-restricted net assets or retained earnings as sources of match funds, Grantee must retain back-up documentation that these funds are available and are credited to the foreclosure counseling budget. Examples of supporting documentation are financial records (i.e. profit and loss & balance sheet statements, management accounts, approved budget clearly showing NFMC match funds, etc.); signed minutes of meetings committing these funds, Board or agency resolutions and third-party confirmations.
- Examples of funds that are eligible for match include (but are not limited to): fees received from servicers or lenders for providing foreclosure counseling to clients not counted under this program, or for counseling costs over and above what NFMC pays for; funds received to capitalize mortgage rescue funds; Community Development Block Grant (CDBG) funds; foundation and corporate grants received for operating a foreclosure counseling and mitigation program; municipal, county, or state grants for operating a foreclosure counseling and mitigation program (as long as the funds do not have a federal source); contract income; and unrestricted funds or net assets dedicated towards the foreclosure program.
- The match "window," or period within which the match must be expended or raised, extends from June 30, 2009 to December 31, 2010. Any expenditures related to the Applicants' foreclosure mitigation program that occur between June 30, 2009 and the date award funds are received are eligible to be counted toward the match as long as they are not counted for match for NFMC Round 1, Round 2, Round 3, or Legal Assistance Funds. Funds raised before this time period can be counted toward match as long as they will be expended during the time frame June 30, 2009 – December 31, 2010.
- Applicants need not have all the match committed at the time of application, but can include funds they expect to raise during the year and any qualifying funds they have expended since June 30, 2009. Once grant funds are awarded, draws will be contingent upon Grantees' ability to demonstrate at least the amount of match proportional to the draw amount, including the initial disbursement, has been committed or expended.

1. In the table below, itemize your projected match for NFMC Round 4 Grant Period.* Please indicate the source of funds, whether they are in-kind or cash, and whether they are expended, committed, pending, or anticipated. **Make sure the total match funds you itemize meets or exceeds the match required should your application be fully-funded.**

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

MATCH (Cash and In-Kind)				
Note: In-kind and cash match resources must be expended between June 30, 2009 to December 31, 2010. Funds raised before this time period can be counted toward match as long as they will be expended between June 30, 2009 to December 31, 2010. Funds raised as match for NFMC Rounds 1, 2, or 3, or for NFMC Legal Assistance funding, <u>cannot</u> be counted as match towards NFMC Round 4.				
Enter the Name of the Source	Enter the Amount	Select the Description Source (cash, in-kind)		Select the Funding Status
Smith and Jones Regional Bank	\$2,500	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Expended
Housing Preservation Fund	\$25,000	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Committed
FHP Society	\$5,000	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Anticipated
Volunteer Brigade of Small Town, USA	\$5,000	<input type="radio"/> Cash	<input checked="" type="radio"/> In-kind	Pending
State Housing Finance Agency	\$25,000	<input checked="" type="radio"/> Cash	<input type="radio"/> In-kind	Committed
Total Match	\$62,500			
Funds Requested from NFMC	Amount			
Total Maximum Eligible Counseling Award	\$250,000			
Total Program-Related Support Amount Requested	\$50,000			
Total NFMC Amount Requested				
This Amount will be displayed on your Requested Amount Page	\$300,000			

Click “save” before moving on to the next page.

Factor 6: Match Waiver

2. If you are requesting a match waiver, list your County or Tribal land level service areas in the table below. Tribal land is defined for these purposes as Federal or state-recognized American Indian/Alaska Native Areas and Native Hawaiian Homeland Areas. The match requirement may be waived for counseling delivered in areas where either the local poverty rate or

the local unemployment rate is greater than 150% of the national rate. When requesting waivers, Applicants must use data that is no older than 2008. Applicants can find unemployment rates from the Bureau of Labor Statistics at www.bls.gov/lau/#data and poverty rates from the U.S. Census Bureau at www.census.gov/hhes/www/saipe/county.html.

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

If you are requesting a match waiver for a service area smaller than county level, you must fill out the excel spreadsheet titled “Match Waiver Request – smaller than County Level” under the “For All Eligible Applicants” section of www.nw.org/nfmc and e-mail it to nfmc@nw.org before 8:00 PM EST on February 9, 2010.

Name of County or Tribal Land, and state	Is there a Physical Sub-grantee Presence?	Projected # of Clients to be Counseled in this Area	Does this area have an unemployment rate greater than or equal to 15% (150% of national unemployment rate)?	Does this area have a poverty rate greater than or equal to 19.8% (150% of national poverty rate)?	Please list your data sources for the Unemployment and Poverty questions.
<i>Examples only:</i> Swaim County, PA	<input checked="" type="checkbox"/>	25	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Poverty: Census (2005) unemployment: Bureau of Labor Statistics (2005)
American Indian Reservation, DE		10	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Poverty: Census (2005) unemployment: Bureau of Labor Statistics (2005)

Note: The totals in column C, *Projected # of Clients to be Counseled in this Area*, should be a subset of the NFMC Round 4 goals listed in Factor 3.

When completing this section, please refer to Factor 4 to ensure you are not asking for a waiver for more units than you are proposing to provide in the identified service area. Match waivers will be awarded proportionate to the counseling level you listed in your Round 4 Goals specified in Factor 3 unless you instruct us otherwise in writing at the time of your application.

Click “save” before moving on to the next page.

Application Submission

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

1. Check to make sure there are no errors on the pages – an error is indicated with an exclamation point in front of a yellow triangle background. If all of your pages are labeled with a green checkmark, there are no errors on your pages. If you see an exclamation point instead of green checkmark, go to that page and run the error check. The “check for errors” feature will tell you exactly what changes need to be made to clear the error.
2. Before submitting, it is **very important** that you open EACH PAGE of the application and click on “save” again. This resets the error checks, allows you to ensure that you are not submitting the application with any inter-page errors, and allows you to clear the errors before submission.
3. Only the authorized official may submit your agency’s application. Make sure to plan accordingly.
4. The NFMC team **highly suggests** that applicants plan to submit their application on or before February 8, 2010. The system will lock applicants out of their application exactly at 8:00 P.M. EST on February 9, 2010. It is not advisable for applicants to wait until this deadline to submit in case it takes longer than expected to submit – even one minute too late will not be accepted – or in case there are last minute errors that need time to be cleared before submission. There is a limited number of support staff available to assist applicants with their grant submission, and calls will only be answered on a first come, first served basis. The earlier you attempt to submit the application, the more likely it will be that a staff person will be available to assist you should errors occur.

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