

NFMC Round 2 Grant Evaluation Process

The grant evaluation process was fair and balanced:

- External reviewers were recruited to evaluate applications for funding. These external reviewers were either consultants or loaned staff from the U.S. Department of Housing and Urban Development, the Federal Deposit Insurance Corporation, or the Federal Reserve.
- The ratio of internal (NeighborWorks staff) to external reviewers was 2:1 for evaluation of applications from NeighborWorks Organizations and 1:2 for evaluation of applications from Intermediaries and HFAs. Additionally, a NeighborWorks staff team lead was assigned to each team to synthesize reviewers' comments, facilitate discussion, and help the team to arrive at consensus around scoring decisions. The team lead did not score the proposals.
- To ensure that applications were scored using the same objective criteria, all team leaders and reviewers were provided a Reviewer's Manual which contained a rubric for scoring and guidelines for determining final award amounts. Team leaders and reviewers all participated in training before they reviewed applications to ensure they understood the rubric, the program design, and the scoring guidelines.
- Each reviewer scored the applications independently and a team concurrence call was held where reviewers discussed their scores and came to consensus on a score for each application.
- For the Counseling Funds, the team's consensus score was entered into a spreadsheet and calculated a recommended funding amount as follows:
 - If an applicant scored 33 or better, it was awarded funds. If it scored between 33-40, it received 100% of its demonstrated experience or requested amount, whichever was less.
 - If the requested amount exceeded the demonstrated experience amount, for each additional point after 40 the applicant received an additional dollar amount, calculated as follows: the difference between requested amount and demonstrated experience amount was divided by 40 (because there were 40 additional points available) to arrive at the dollar amount per point. For each additional point after 40, the applicant would receive that per-point dollar amount, up to the full requested amount which it could achieve if it received a score of 80.
 - Operational Oversight and Program Related Support awards were tied to scores for the related questions.
- The sum of the review teams' award recommendations for counseling funds totaled \$206,295,297 which was higher than the amount which could be awarded.
- Both a cap and a floor were placed on the counseling award amounts. Recognizing the extreme demand for these funds, the need to provide access to foreclosure counseling services across the county -- particularly in areas of greatest need, and the desire to mitigate risks associated with the concentration of funds with any one applicant, a \$16 million cap was instituted. A floor was placed on grants as well to reflect the cost benefit of processing and monitoring the grant as well as program

effectiveness, so no grant was made for less than \$10,000. The result was total recommended funding of \$177,522,170.00.

- For the legal assistance awards, the review teams scored and discussed the applications and came up with recommended funding amounts for each applicant.
- Throughout the process, the same standards, criteria, and review process were used for both NeighborWorks Organizations and Intermediary/HFA applications. The process only varied when criteria for Intermediaries and HFAs were not relevant for NeighborWorks Organizations. The rubrics were very similar – differing only by the questions related to oversight, quality control and program administration that would be required by the additional function of an intermediary or housing finance agency as a grantee with sub-grantees. To compensate Intermediaries and HFAs for this additional function, these applicants could apply for an operational oversight budget line item. The NeighborWorks Organizations were not eligible for the operational oversight funding.