

FROM: Tameka Spencer, Director, HomeFirst Down Payment Assistance Program
TO: Prospective Respondents to the Request for Qualifications for HomeFirst Loan Program Servicers
SUBJECT: Addendum #1 to the Request for Qualifications for HomeFirst Loan Program Servicers
DATE: April 25, 2023

ADDENDUM #1

The Department of Housing Preservation and Development is issuing Addendum #1 to the Request for Qualifications for HomeFirst Loan Program Servicers (“RFQ” hereafter).

QUESTIONS AND ANSWERS

The following Questions were presented to HPD via a virtual RFQ Pre-Submission Conference on March 31, 2023. The Answers to those Questions are provided below for clarification and information purposes only, and do not change the terms and conditions as contained in the issued RFQ:

1. What is the number of loans projected to close this year?

Answer: *Approximately 80 to 100 loans are expected to close this calendar year.*

2. Is the origination fee same as the application fee?

Answer: *There is no origination fee. Rather, there is a HomeFirst application processing fee of \$850.00.*

3. Other than \$850.00 fee, is there any other consideration paid to the Program Servicer?

Answer: *No, under the existing structure, the Program Servicer is permitted to charge a fee to the homebuyer for the processing of their HomeFirst application in an amount not to exceed \$850 per application. This \$850.00 application processing fee may be collected in installments— see section on “Loan Application, Approval, and Closing Process” (pp. 13-14). Note: There are no other fees, payments or considerations paid to the Program Servicer by HPD for the processing of HomeFirst Loan Applications.*

4. Does the Program Servicer handle and disburse funds on behalf of HPD at closing?

Answer: *Yes, the Program Servicer is responsible for depositing all funds made available by HPD for HomeFirst loan disbursements into a designated bank account named “The Homebuyer Assistance Loan Fund Account”. The Program Servicer may withdraw funds from this account solely for the purpose of disbursing HomeFirst Program funds in accordance with the Loan Servicing and Disbursement Agreement. The Program Servicer holds the funds in this bank account for disbursement at closing.*

5. Who is responsible for recording the soft second lien?

Answer: Lender – the bank’s attorney of record is responsible for recording the applicable HomeFirst loan documents after each closing.

6. How will the loans be divided among multiple servicers?

Answer: The distribution of a workload/applications may depend upon the number of Loan Program Servicers are selected under the RFQ process, as well as the capacity and experience of such Program Servicers.

7. Are HPDFC’s eligible properties for purchase with HomeFirst Funds?

Answer: Yes, HPDFC units are included in the list of eligible properties that may be purchased with HomeFirst Down Payment assistance loan funds.

8. What is the application turnaround time?

Answer: The application turnaround varies and is dependent upon the quality and completeness of the application package and how quickly the Program Servicer reviews, approves and submits the completed loan package to HPD for final approval. HPD reviews and issues its final clearance within 2-3 business days from receipt of the package from the Program Servicer, provided that the package is complete/contains all required documentation. However, the Program Servicer approval can take up to 90 days.