

SECTION C - Description/Specifications

C.1 PERFORMANCE WORK STATEMENT - INSURANCE ENDORSEMENT PROCESSING SERVICES

Performance Work Statement (PWS) Insurance Endorsement Processing Services (IEPS)

Vision Statement

The vision of this requirement is to obtain contractor support to assist HUD with the support services and the endorsement of FHA case binders. By obtaining these services, HUD will be able to improve the processing of case binders for endorsement.

1 General Information

1.1 Introduction

The U.S. Department of Housing and Urban Development (HUD) /Office of Housing is seeking contractor support to provide support services through the stages of the life of a case binder for processing and perform insurance endorsement processing services on a daily basis at the Atlanta Homeownership Center.

1.2 Background

HUD has required Insurance Endorsement Processing Services (IEPS) since the inception of Federal Housing Administration (FHA) insured loans. HUD has procured these services since the formation of the Atlanta Homeownership Center (AHOC) in 1998. The AHOC processes endorsements for the states of Florida, Georgia, Alabama, Mississippi, South Carolina, North Carolina, Tennessee, Illinois, Indiana and the Commonwealth of Puerto Rico. The IEPS ensures that loans meet the requirements established by FHA prior to being insured.

1.3 Constraints

The services identified in this PWS will adhere to the rules, regulations, laws, standards, and conventions identified by HUD as well as within the Federal Government. Constraints include the following:

- must be on-site at the Atlanta Homeownership Center to perform work
- all Contractor staff must complete a personal identity verification (PIV) process to access facilities and computers
- repetitive lifting of heavy boxes weighing up to 50 pounds
- maintain updated knowledge of FHA's Single Family Housing Policy Handbooks and Mortgagee Letters
 - HUD Handbook 4000.1
 - HUD Handbook 4235.1
 - HECM Financial Assessment and Property Charge Guide 2016

- Contractor staff must annually complete HUD's Security Awareness Training (on-line) and complete an annual FHAC Rules of Behavior Agreement
- Mortgagee Letters

1.4 Description of Services

This requirement is for a new contract to perform support services through the life of a case binder and Insurance Endorsement Processing Services (IEPS) on a daily basis for the U.S. Department of Housing and Urban Development (HUD) at the Atlanta Homeownership Center (AHOC).

1.5 Non-Personal Services

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

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

1.6 Period of Performance

The period of performance shall be for five (5) years.

1.7 Place of Performance

The services to be performed under this contract shall be performed at the Atlanta Homeownership Center (AHOC), US Dept. of HUD, 40 Marietta Street, 5th Floor, Atlanta, GA 30303.

1.8 Hours of Operation

The Contractor shall perform the required work on-site at the AHOC between the business hours of 7:00am - 6:00pm EST Monday thru Friday except for Federal holidays or when the Government facility is closed due to local or national emergencies, administrative closing, or similar Government directed facility closings. Weekly hours shall not exceed a forty (40) hour work week and a typical work day will be 8 hours each day Monday through Friday. The Contractor is allowed to work anytime between the hours listed above as long as they do not exceed a 40 hour work week. The Government reserves the right to change hours of operation or restrict contractor access. Additional hours extending beyond the above business hours is prohibited without CO or COR approval to confirm HUD personnel on-site.

Government agencies will not be available during scheduled holidays, inclement weather, weekends, and after duty hours.

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

1.9 Special Qualifications

The contractor shall use personnel meeting the qualifications stated below in performing its efforts on this contract.

On-site Project Manager and/or On-site Alternate Project Manager:

- High School Diploma and a minimum of 3-10 years in Mortgage Banking in one or more of the following capacities: DE Underwriter, Senior Loan Processor, Loan Servicing/Shipping Specialist, Senior Funding/Loan Document Processor, Loan Escrow, Loan Closer

Endorsement Tech:

- High School Diploma and a minimum of 2-3 years of experience in one or more of the following
- capacities: Data Entry Processor, Loan Processor, Loan Servicing/Shipping Clerk, Funding/Loan Document Processor, Loan Escrow, Loan Closer

IEPS Support Staff:

- High School Diploma and minimum of 0-1 years for experience in one or more of the following
- capacities: Mail Clerk (shipping and receiving mail, mail distribution), Data Entry Processor, Document Processor (makes copies, scans documents)

1.10 Post Award/Kickoff Conference

The Contractor shall attend any post award conference convened by the contracting activity or contract administration office in accordance with FAR Subpart 42.5. The Government intends to convene a Post Award Conference with the Contractor within ten (10) business days after contract award. The Contracting Officer will notify the Contractor of the specific date, location, and agenda within five (5) business days after contract award.

1.11 Status Meetings

The Contracting Officer (CO), Contracting Officer Representative (COR) and other Government personnel, as appropriate may meet periodically with the Contractor to also review Contractor performance, requirement status, etc. At these meetings, the Contracting Officer will apprise the Contractor of how the Government views the Contractor's performance or progress of the requirement.

The Contractor will apprise the Government of problems, if any, being experienced. Appropriate action shall be taken to resolve outstanding issues. These meetings shall be at no additional cost to the Government. Post Award Conference and subsequent meetings may be held via teleconference.

1.12 Contractor Travel

No contractor travel is anticipated during the performance period of this contract. HUD will not reimburse any travel under this contract.

1.13 Transition In

The Contractor shall, upon the Contracting Officer's written notice, furnish Transition-In services as required. As a successor, the Contractor shall have sufficient personnel on board, at no additional cost to the Government, during the 60 day Transition-In period to ensure a smooth transition with the incumbent Contractor. The Contractor shall provide an orderly transition of work acceptance and accomplishment such that any impact to the program is minimized. During the Transition-In period, the Contractor shall become familiar with the requirements in order to commence full performance of services by the end of

the contract Transition-In period. Transition-In is not required if the successor Contractor is the incumbent Contractor.

1.14 Transition Out

To minimize any decrease in productivity and to prevent possible negative impacts on additional services, the Contractor shall have sufficient personnel on board, at no additional cost to the Government, during the 60 day Transition-Out period. The incumbent Contractor shall ensure a smooth transition with the successor Contractor during the Transition-Out period, prior to completion of contractual performance.

The incumbent Contractor shall aid the successor in the development of plans, procedures, and methods for the assumption of all on going work. The Contractor shall provide an orderly transition of work acceptance and accomplishment, such that full control by the successor Contractor is achieved by the end of the new contract Transition-In period.

2 Definitions and Acronyms

2.1 Definitions

203(h) - A single family program for victims of Presidential declared disaster areas.

203(k) - A single family program for the rehabilitation and repair of single family properties.

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

Calendar Day - Any day of the week.

Case Binder - May be used interchangeable with "file," "loan package," "case," or "binder" and refers to the entire underwriting package of documents on closed loans submitted by mortgagees (lenders) to the AHOC for issuance of a MIC.

Contract - A written mutually binding legal relationship obligating the seller to furnish the supplies and/or services and the buyer to pay for them.

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

Contracting Officer (CO) - An employee of the U.S. Government with authority to enter into, administer, and/or terminate contracts and make related determinations and findings on behalf of the Government.

Note: the only individual who can legally bind the Government.

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

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

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

eCB - electronic case binder

Flipping - The practice whereby a property recently acquired is re-sold for a considerable profit with an artificially inflated value, often abetted by a lender's collusion with the appraiser. Most property flipping occurs within a matter of days after acquisition, and usually with only minor cosmetic improvements, if any. Unscrupulous investors will often flip properties they have contracted to purchase (but have not yet acquired) by selling or assigning the rights to the sales contract, which is prohibited.

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

Key Personnel - Personnel specifically considered being essential to the work being performed under this contract. For this contract, Key Personnel are defined as the on-site contract manager and alternate on-site contract manager. Additionally, the person responsible for the contract and anyone who shall make decisions on his/her behalf shall be considered as Key Personnel. At least one Key Personnel shall be on site anytime contractor personnel are working.

Owner of Record - The party established by a copy of a recorded deed, a property sales history report, or other documentation (such as a property tax bill, a title commitment or binder) as the owner of the property.

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

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

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

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

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

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

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

References - Refers to all FHA/HUD Handbooks, Mortgage Letters, Notices, Circular Letters, as well as

through the internet at www.hud.gov and www.hudclips.org.

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

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

Subject Matter Expert (SME) - an individual that assist in providing technical direction and monitoring performance under the contract.

TransAccess/Tap Track/TracIt - The bar coding/scanning system that is used by the AHOC to track case binders.

Work Day - The day the Contractor provided services in accordance with the contract

Work Week - Monday thru Friday, unless specified otherwise

2.2 Acronyms

AHOC - Atlanta Homeownership Center

APL - Acceptable Performance Level

AQL - Acceptable Quality Level

ARM - Adjustable Rate Mortgage

AUS - Automated Underwriting System

CBT - Computer-Based Training

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

CFR - Code of Federal Regulations

CHUMS - Computerized Home Underwriting Mortgage System

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

CO - Contracting Officer

COR - Contracting Officer Representative

CPO or OCPO - Office of the Chief Procurement Officer of HUD

EAD - Electronic Appraisal Delivery

eCB - Electronic Case Binder

DE - Direct Endorsement

EST - Eastern Standard Time (US)

FHA - Federal Housing Administration

FHAC - Federal Housing Administration Connection (FHA computerized system)

FRC - Federal Records Center

GAO - U.S. General Accounting Office

GFP - Government Furnished Property

HECM - Home Equity Conversion Mortgage

HOC - Atlanta Homeownership Center

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

HUDAR - HUD Acquisition Regulation
HUD Web - HUDs Intranet Web Site and related WEB pages
IEPS - Insurance Endorsement Processing Services
IG or OIG - Inspector General (Office of)
IT - Information Technology
LT- Loan Transmittal
MCAW - Mortgage Credit Analysis Worksheet
MCC- Master Conditional Commitment
MIC - Mortgage Insurance Certificate
MIP - Mortgage Insurance Premium
NOR - Notice of Return
OCPO - Office of the Chief Procurement Officer
OIG - Office of Inspector General
OMB - Office of Management and Budget
PBC - Performance Based Contract
PM - Project Manager
POC - Point of Contact
PWS - Performance Work Statement
QA - Quality Assurance
QASP - Quality Assurance Surveillance Plan
QCP - Quality Control Plan
REO - Real Estate Owned
SF - Standard Form
SME - Subject Matter Expert
TBD - To be determined
URAR - Uniform Residential Appraisal Report
URLA - Uniform Residential Loan Application
U.S.C - United States Code
VOD - Verification of Deposit
VOE - Verification of Employment

3 Government Furnished Property (GFP) and Services

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

The Contractor must not utilize Government Furnished facilities, equipment or materials for any other purpose than provided for in this contract.

3.1 Government Services

The Government will provide a training session at the commencement of the contract (not to exceed eight (8) hours), given by the AHOC on the FHA Connection system and other pertinent program requirements.

The Contractor will be responsible for training all future employees on all pertinent information necessary to perform this work. In the event that the Contractor is unable to acquire the necessary skills to perform the requirements under this contract following the maximum eight (8) hours of training, the

Contractor may be subject to formal contract action, such as termination. HUD will not reimburse the Contractor for any expenses incurred for this training. Training will not be provided if the successor Contractor is the incumbent Contractor.

From time to time, certain case binders may require special processing instructions thus specific training shall be provided by HUD staff as designated by the COR, or Subject Matter Expert (SME).

3.2 Facilities

The Government will provide an adequate work area to accommodate the handling of daily support services and insurance endorsement processing services. The location of the work area will be at the Atlanta Homeownership Center currently located at 40 Marietta Street, 5th Floor, Atlanta, GA 30303.

3.3 Equipment

The Government will provide:

- access of two (2) computers for support service processing and one (1) computer per contractor staff for insurance endorsement processing services, not to exceed a total of fifteen (15) computers
- one workstation per Contractor staff up to maximum of fifteen (15) workstations
- access to FHA Connection and TransAccess/TapTrack/TracIt
- access to handheld scanner
- access to five (5) telephones
- access to a printer/scanner/copier
- adequate work area to accommodate the handling of daily support services (incoming binder sorting and outgoing binder shipments to the Federal Record Center, Return to Lender binders and HECM document mailing)

Each computer will be linked to local servers and/or the internet for the Contractor to access FHAC in order to perform the duties of the PWS. Every effort will be made for equipment and FHAC availability and for technical assistance from HUD staff during core business hours of 8:00 am to 4:30pm. Should a computer system interruption occur in excess of two (2) consecutive hours in any business day, delivery times will be accommodated by mutual consent between the Contractor, the CO and the COR.

3.4 Materials

The Government will provide the case binders for IEPS and the following proprietary items: endorsement stamps, review stamps, labels, toner for the printers, boxing tape, boxes for shipment to the Federal Record Centers, and envelopes. The endorsement checklists will also be provided and may be reproduced by the Contractor, as needed, using HUD's copying equipment. These checklists may be updated as needed during the term of the contract. No other materials will be provided.

All materials will remain the property of the Government and will be returned to the COR upon request or

at the end of the contract period.

3.5 Quality Assurance (QA)

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

4 Contractor-Furnished Items and Services

The Contractor shall furnish all facilities, equipment, and materials required to perform the work under this contract that are not listed under Government Furnished Property (GFP) and Services.

4.1 Facilities

N/A

4.2 Equipment

N/A

4.3 Material

N/A

4.4 Contractor Responsibilities

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

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

The contractor must maintain regular, frequent and responsive contact with the CO, COR and SME. The contractor must provide the CO with the signed original of the Contractor Employees Non-Disclosure Agreement no later than two (2) business days before the Post Award Conference or two (2) business days before a new employee starts work on this contract.

4.5 Contractor Personnel

The Contractor shall provide an On-site Project Manager who shall be responsible for the performance of work. An alternate shall also be designated to act in the absence of the On-Site Project Manager. These Contractor personnel (main point of contact and alternate point of contact) are considered Key Personnel by the Government and shall be listed as such in accordance with HUDAR 2452.237-70, "Key Personnel." The On-Site Project Manager and alternate shall have full authority to act on all contract matters relating to daily operations of this contract. Accordingly, at a minimum, the project managers shall have the technical knowledge of the requirements and be in the position to actually receive

assignment, guidance, and direction from the CO, COR and SME per HUDAR 2452.237-73, "Conduct of Work and Technical Guidance" and shall be allocated enough hours to the requirement to ensure successful performance. These project managers shall each be an employee of the Contractor. An employee of a subcontractor is not acceptable for either of these positions. The Project Manager or alternate shall be available between the hours of 8:00am to 4:30pm EST Monday through Friday, except Federal Holidays or when the Government facility is closed for administrative reasons.

At least one Project Manager shall be on-site any time contractor personnel are working.

4.6 Identification of Contractor Employees

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

4.7 Quality Control

The Contractor shall establish and maintain a complete quality control program that shall ensure services are performed in accordance with this contract. The Contractor shall develop and implement procedures to identify, prevent, and ensure non-reoccurrence of defective services.

The Contractor's quality control program is the means by which they assure themselves that their work complies with the requirements of the contract. The Contractor shall provide the associated Quality Control Plan to the Government as directed.

4.7.1 Quality Control Plan

The Contractor shall develop, maintain, enforce, and document a Quality Control Plan (QCP).

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

The QCP shall also contain a detailed description of how the work deadlines and the estimated quantities will be met and shall include what plans are in place in the event of an emergency, which interrupts the flow of work. An emergency may include but not limited to an employee's illness, resignation and/or

vacation. The QCP shall be considered a living document and shall be required to be updated by the Contractor as conditions and contract requirements are revised. The QCP shall include a second review of all NOR's while maintaining the standard that they are mailed within one (1) business day of the NOR being issued. The plan shall also include a daily QC review of 10% of the previous days work. A QC Log shall be completed and maintained by the Contractor, and be available upon request by the CO, COR or SME.

5 Specific Tasks

5.1 Support Services

The Contractor shall perform the following support services through the stages of the life of a case binder received at the Atlanta Homeownership Center for processing.

5.1.1 The Contractor shall pickup incoming mail from the mailroom and open case binder packages for processing.

- pickup twice daily
- ensure mailroom manifest matches the packages received
- maintain a copy of the mailroom manifest
- date stamp the received date on the front of each case binder

5.1.2 The Contractor shall enter the FHA case number from each case binder into TracIt (or current system) to create a bar code for each case binder.

- Print the created bar code label and affix to the front of each case binder (centered sideways along the ridge edge)

Performance Standards

- a) Standard: Bar code created for each case binder received.
AQL: no more than 5 incorrect or missing bar codes monthly

5.1.3 The Contractor shall scan the bar code with provided scanner into the Closing Package Logging screen in FHA Connection to document receipt.

- Print completed Closing Package Logging Results screens for the daily case binder count.
- Provide the COR and SME an email daily of all case binders bar coded and data entry (scanning) completed into FHAC (Closing Package Logging Results screen).
- Provide the COR or SME daily any case binders with bar coding or scanning problems.

Deliverables

A002 Daily Email with Count of Cases

5.1.4 The Contractor shall scan the bar code on each case binder to its destination and distribute to staging area for pickup by HUD staff.

- The destination of the case binder is displayed on the Closing Package Logging screen.

- Destination could be: LRS-QAD, LRS-PUD, ARR, Not Authorized for HOC, etc.

5.1.5 The Contractor shall return the case binders to the lender that were not requested and any other case binders designated by the COR or SME for return.

- Case binders being returned to lenders shall be returned within three (3) business days of receipt and the bar code on the case binders scanned "Return to Lender".
- Case binders received belonging to the other HOCs for processing shall be mailed weekly to the appropriate HOC and the bar code on the case binders scanned to the appropriate HOC.
- Case Binders that are refiles to the various Record Centers shall be mailed weekly to the appropriate Record Center and the bar code on the case binders scanned to the appropriate Record Center.
- Case Binders received that were requested by various outstationed HUD staff (OIG, GAO, OGC, etc.) shall be mailed weekly to the appropriate Requestor and the bar code on the case binders scanned to the Requestor.

5.2 Insurance Endorsement Processing Services (IEPS)

The Contractor shall determine whether case binders, including eCBs, submitted for insurance endorsement processing are in compliance with HUD requirements. This includes review of the submitted case binder, including eCBs, and verifying that FHA Connection reflects accurate data. Only complete case binders, including eCBs, shall be endorsed and paper binders shipped to the Atlanta Federal Record Center (FRC) or routed to their destination (LRS-PUD, LRS-QAD, ARR, HECM, etc.) via TracIt (or current system). The Contractor shall ensure that data integrity and confidentiality are safeguarded by not disclosing information to individuals not authorized access by HUD.

The Contractor shall endorse/NOR all case binders, including eCBs, within three (3) business days of assignment and maintain a 90% or greater accuracy.

5.2.1 The Contractor shall utilize the case type specific Endorsement Review Checklists to make the decision whether to endorse or NOR a case binder.

The contractor shall utilize the following Endorsement Review Checklists:

- Pre-Endorsement Review Checklist
- HECM Pre-Endorsement Review Checklist

The contractor shall not alter the checklists in any manner. The checklists and other instructions may be revised and updated by HUD to comply with any changing requirements. Any updates shall be provided by the COR or SME as they occur. The checklists specify the degree of review required for each item to

determine if the case binder shall be endorsed or a Notice of Return (NOR) issued. The completed checklists shall be included in each case binder, including eCBs. An eCB will require that the checklist be scanned and uploaded into the binder using FHAC.

Performance Standards

a) Standard: 100% use of case type specific endorsement review checklist

AQL: no more than 5 case binders, including eCBs, are missing the case specific endorsement review checklist

5.2.2 The Contractor shall review documents in the case binder for data integrity.

Data integrity is a crucial aspect of the insurance endorsement processing services and shall be safeguarded. The Contractor shall review all data on the: FHAC Insuring Screens for Purchases, Refinances and HECM loans, Case Query Screen, Appraisal Logging Screen and Case Warning Screen, against the appropriate source documents. FHA Connection lender printouts shall not be used to verify data accuracy. The Mortgage Credit Analysis Worksheet (MCAW) or Loan Transmittal (LT) is not a source document for the mortgage amount, interest rate, borrower names, or social security number. It is a worksheet only. The Contractor shall make modifications to the data in FHA Connection to accurately reflect the source documents, and to ensure an accurate endorsement of the loan. The Contractor shall make no major changes to the name or to the address of the property without the consent of HUD staff as designated by the COR or SME.

Unacceptable critical endorsement errors include:

- *endorsing a loan under the wrong case number
- *endorsing a loan with the wrong mortgage amount or interest rate
- *endorsing a loan in the name of an incorrect lender
- *endorsing a loan in the name of the incorrect borrower
- *endorsing a loan which should have been rejected (NORd) for missing documents, late payments or incorrect data entry
- *unendorsed/NOR cases shipped to record center or not properly returned to lender

If the lender has not entered the appraisal and insurance application data, the Contractor shall not endorse the binder and return the binder to the lender. A designated form letter that explains the reason for return shall be attached to the case binder, the case binder shall be scanned "Return to Lender" and mailed back to the lender. In instances where the lender has gone out of business, the Contractor will be provided with additional instructions, as needed.

The contractor shall correct inadequate or incorrect endorsements made by the Contractor at no additional expense to the government. Corrections may be requested by the COR or SME as a result of a quality assurance review. The contractor shall review the errors and complete corrections within three (3) business days of receipt. If a correction is unable to be processed, it shall be returned to the COR or SME with an explanation for further action.

The AHOC will require certain files and/or error processing messages to be resolved by HUD staff. The Contractor shall route these binders with FHAC generated error messages to HUD staff for resolution. These messages may include: case warning, multiple loans, pre-closing binders, etc. The Contractor will be instructed on the disposition and routing of these files by the COR or SME.

Performance Standards

a) Standard: Of the files QC'd by HUD, 90% compliance with data integrity is required

AQL: 10% deviation

5.2.3 The Contractor shall issue a Mortgage Insurance Certificate (MIC) or Notice of Return (NOR).

The Contractor shall issue a MIC through FHA Connection for each endorsed case binder, including eCBs, unless otherwise instructed by the COR. In addition, the case binder shall be stamped as endorsed

and shall be clearly marked, if appropriate, such as, LRS, ARR, HECM, etc. If a LRS is required, the outside of the case binder shall be annotated with a red "LRS-PUD or LRS-QAD" and placed in the designated area for pickup by HUD Staff. From time to time, other types of case binders may be designated by the COR or SME to be separated, either prior to or after endorsement for further review by HUD staff. All case binders must be scanned to their destination. Once endorsed, case binders are to be shipped to the Atlanta Federal Records Center.

If a binder cannot be endorsed, including eCBs, a Notice of Return (NOR) shall be issued. The Contractor shall review the case binder, including eCBs, in its entirety to ascertain all reasons for return are clearly and concisely noted on the NOR. The contractor shall check the appropriate boxes on the "Notice of Return" screen in FHAC and enter any comments necessary, with clarifying language. The NOR and all applicable forms shall be fastened to the top right inside of the case binder and the case binder shall be returned to the Lender within one (1) business day. The case binder should be scanned using "Return to Lender bar code. The Contractor shall review and clear all responses to NOR case binders, including eCBs, unless directed otherwise by the COR or SME. If a case binder, including eCBs, requires rejection more than once, the Contractor shall bring the file to the COR or SME for further disposition.

Performance Standards

a) Standard: An average of all case binders received for the month are endorsed or a NOR is issued within three (3) business days. This average is obtained from the monthly IQCA/IQCB Report.

AQL: zero deviation

Deliverables

A003 Reviewing FHA Case Binders

5.2.4 The Contractor shall provide additional processing to endorsed Home Equity Conversion Mortgage (HECM) Case Binders.

For HECM endorsed case binders, the Contractor shall pull the original second note and the original/certified true copy of the Second Mortgage/Deed of Trust and mail to the HUD's Servicing Contractor at the address provided by the COR (or designee). The address currently is:

Novad Management Consulting
Shepherds Mall
2401 NW 23rd Street, Suite 1A1
Oklahoma City, OK 73107

The three (3) original Loan Agreements and the one (1) Notice to the Borrower are to be pulled and stamped with the provided signature stamp. One (1) Loan Agreement and the Notice to the Borrower will be mailed to the Borrower, one (1) Loan Agreement will be mailed to the Lender and one (1) Loan Agreement will be fastened down on the left side of the case binder. The documents to be mailed as indicated above shall be mailed within three (3) business days of the case binder endorsement. The case binder shall be stamped on the outside of the binder as "endorsed. "

5.2.5 The Contractor shall prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender.

Case binders to be archived are shipped to the Atlanta Federal Records Center. They must be scanned to "Atlanta Federal Record Center," case numbers entered into TransAccess (or current record keeping system), and binders placed in shipping boxes. Each shipping box shall contain a transmittal sheet printed out and placed on top of the case binders in the box.

Shipping boxes shall be loaded onto a cart and placed in a designated area for pick-up by Atlanta Federal

Records Center staff.

NOR cases binders must be returned to the Lender within one (1) business day and the case binder should be scanned using the "Return to Lender" bar code.

Performance Standards

a) Standard: Prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender.

AQL: no more than 5 boxes (case binders sent to Record Center) or 5 case binders returned for being incorrectly shipped/mailed

5.3 Scanning Services

The Contractor shall scan the contents of any request case binders, save and transmit the scanned documents.

5.3.1 The Contractor shall scan the contents of requested case binders, save and transmit the scan documents.

- The contents of the case binders shall be scanned into separate documents (case number-left side and case number-right side). In the event there is an extremely large number of documents on either side of the binder, that side may require separate scans (increasing the total document count for that case binder). The current scanner has scanning limitations on the number of pages it will scan at one time.
- Once the entire case binder is scanned and saved, the contractor shall transmit the scanned case binder. The binder may be transmitted by email, uploaded to a SharePoint site or any other method determined by HUD. The contractor may also be requested to convert the separate scans into one pdf document for transmittal.
- No more than twenty (20) scans will be requested in one (1) day and scan request will be provided to the Contractor by 1pm.
- The Contractor shall have three (3) business days to complete the process once a case binder scan is requested.

Performance Standards

a) Standard: Each case binder scan request will be completed within three (3) business days.

AQL: no more than five (5) completed scans completed greater than three (3) business days

b) Standard: Of the scanned case binders QC'd by HUD, no more than 10 missed pages in the completed scans.

AQL: 10 missed pages

Deliverables

A004 Scanned Case Binders

6 Deliverables

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

Number	Name	Frequency	Quantity
A001	Quality Control Plan (QCP)	once	1
A002	Daily Email with Count of Cases	daily	undetermined
A003	Reviewing FHA Case Binders	daily	undetermined
A004	Scanning Case Binders	daily	undetermined

6.1 Quality Control Plan

The Contractor's QCP shall be delivered to the CO and COR within 30 (thirty) days after contract award (or with the Contractor's proposal if it is an evaluation factor). The QCP shall be submitted to the CO and COR within 5 (five) business days when changes are made thereafter. After acceptance of the QCP, the Contractor shall receive the Contracting Officer's acceptance in writing of any proposed change to its quality control system.

6.2 Acceptance Criteria

HUD will randomly select a representative sample of the contractor's work for review. These reviews will be used to determine the accuracy, quality and completeness of the contractor's work. The COR (SME or designee) will provide monthly feedback to the contractor based on the results of HUD's reviews. The result of the randomly sampled cases shall be considered to be a representation of the Contractor's overall performance under the contract.

Continual serious performance problems shall result in additional contractual remedies, as permitted by the contract terms or conditions.

6.3 Monthly Invoice

The monthly invoice submitted by the Contractor for the Support Services will be reviewed against the daily listings of binders bar coded and data entry (scanning) completed into FHAC (Closing Package Logging Results Screen). This listing should be emailed to the COR and SME daily as noted in Section 5.1.3 of the PWS. The daily listings of binders bar coded and data entry (scanning) completed into FHAC (Closing Package Logging Results Screen) shall be the official documentation for payment. This is a separate service than Insurance Endorsement Processing Services and Scanning Services and should be billed separately, but on the same invoice.

The monthly invoice submitted by the Contractor for Insurance Endorsement Processing Services will be reviewed against the monthly FHAC DEPCON Reports (IQCA and IQCB) and the contractor will be paid for only those files endorsed or rejected for the first time by it's staff. The AHOC will not pay for cases resubmitted or corrected. The FHAC Reports (IQCA and IQCB) will be the official supporting documentation for payment and the Contractor will be provided a copy of these reports. This is a separate service than Support Services and Scanning Services and should be billed separately, but on the same invoice.

The monthly invoice submitted by the Contractor for the Scanning Services will be reviewed against the Completion Log of Assigned/Completed Scans. This is a separate service than Insurance Endorsement Processing Services and Support Services and should be billed separately, but on the same invoice.

The monthly invoice should be submitted to the COR within 30 days of receipt of the FHAC DEPCON Reports (IQCA and IQCB) and the CORs monthly Work Volume/QC Report.

Phase-In Forbearance: To allow for a "learning curve," there will be a 60 day forbearance period from the date of award before any performance incentives or disincentives are applied. If the contract is awarded to the incumbent contractor, the Phase-In Forbearance period will not apply.

7 Performance Requirements Summary

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

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

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

The performance standards will be fully enforceable starting 60 days from date of contract award unless award to incumbent.

8 Related Documents

The Contractor shall abide by all applicable regulations, publications, manuals, policies, and procedures in the performance of this contract.

Performance Requirement Summary (PRS)

	Statements	Standards/AQLs	Incentive/Remedy
5.1	Support Services		
5.1.1	The Contractor shall pickup incoming mail from the mailroom and open case binder packages for processing.		
5.1.2	The Contractor shall enter the FHA case number from each case binder into TracIt (or current	a) Bar code created for each case binder received. AQL: no more than five (5) incorrect or missing bar codes monthly	When a cumulative monthly total of incorrect bar codes is greater than five (5), a disincentive fee of \$100 shall be levied

	system) to create a bar code for each case binder.		against the monthly invoice.
5.1.3	The Contractor shall scan the bar code with provided scanner into the Closing Package Logging screen in FHA Connection to document receipt.		
5.1.4	The Contractor shall scan the bar code on each case binder to its destination and distribute to staging area for pickup by HUD staff.		
5.1.5	The Contractor shall return the case binders to the lender that were not requested and any other case binders designated by the COR or SME for return.		

	Statements	Standards/AQLs	Incentive/Remedy
5.2	Insurance Endorsement Processing Services (IEPS)		
5.2.1	The Contractor shall utilize the case type specific Endorsement Review Checklists to make the decision whether to endorse or NOR a case binder.	a) 100% use of case type specific endorsement review checklist AQL: no more than five (5) case binders, including eCBs, are missing the case specific endorsement review checklist	When a cumulative monthly total is greater than five (5) case binders, including eCBs, that are missing the case specific endorsement review checklist, a disincentive fee of \$100 shall be levied against the monthly invoice.
5.2.2	The Contractor shall review documents in	a) Of the files QC'd by HUD, 90% compliance with data integrity is	The following disincentives shall be levied against the

	the case binder for data integrity.	required AQL: 10% deviation	monthly invoice for endorsement processing: 11% error rate = 1% 12% error rate = 2% 13% error rate = 3% 14% error rate = 4% 15% error rate = 5%
5.2.3	The Contractor shall issue a Mortgage Insurance Certificate (MIC) or Notice of Return (NOR).	a) An average of all case binders received for the month are endorsed or a NOR is issued within three (3) business days. This average is obtained from the monthly IQCA/IQCB Report. AQL: zero deviation	If the average of all cases for the month exceeds three (3) business days, the government will round to the next whole number. An average over three (3) business days is subject to timeliness disincentive of 10% plus one percent (1%) for each day over three (3) business days.
5.2.4	The Contractor shall provide additional processing to endorsed Home Equity Conversion Mortgage (HECM) Case Binders.		
5.2.5	The Contractor shall prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender.	a) Prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender. AQL: no more than five (5) boxes (case binders sent to Record Center) or five (5) case binders returned for being incorrectly shipped/mailed	When a cumulative monthly total is greater than five (5) boxes or more that are returned from the record center with processing errors or greater than five (5) case binders returned/mailed to incorrect lender, a disincentive fee of \$100 shall be levied against the monthly invoice.

	Statements	Standards/AQLs	Incentive/Remedy
5.3	Scanning Services		
5.3.1	The Contractor shall scan the contents of requested case	a) Each case binder scan request will be completed within three (3) business days.	If there are greater than five (5) completed scans for the month that exceeds three

	binders, save and transmit the scan documents.	<p>AQL: no more than five (5) completed scans completed greater than three (3) business days</p> <p>b) Of the scanned case binders QC'd by HUD, no more than ten (10) missed pages in the completed scans.</p> <p>AQL: ten (10) missed pages</p>	<p>(3) business days, the government will apply a disincentive equal to the unit price cost of five (5) completed scans.</p> <p>If there are greater than ten (10) missed pages in completed scans, the government will apply a disincentive equal to the unit price cost of five (5) completed scans.</p>
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SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS <small>OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30</small>				1. REQUISITION NUMBER RCS-HU-2019-00013		PAGE OF 1 63	
2. CONTRACT NO. 86614119D00010/ 0353/19/0739			3. AWARD/ EFFECTIVE DATE 09/29/2019		4. ORDER NUMBER		5. SOLICITATION NUMBER 86614119R00002
7. FOR SOLICITATION INFORMATION CALL:			a. NAME GENE JACKSON		TELEPHONE NUMBER (No collect calls) 312-913-8502		8. OFFER DUE DATE/LOCAL TIME CT
9. ISSUED BY US DEPARTMENT OF HUD OFFICE OF THE CHIEF PROCUREMENT OFFICER METCALFE FEDERAL BUILDING 77 WEST JACKSON BLVD ROOM 2517 CHICAGO IL 60604-3507			CODE HUD-NFNC		10. THIS ACQUISITION IS <input type="checkbox"/> UNRESTRICTED OR <input checked="" type="checkbox"/> SET ASIDE 100.00 % FOR. <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS <input type="checkbox"/> (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM <input type="checkbox"/> EDWOSB <input checked="" type="checkbox"/> 8(A) NAICS: 541990 SIZE STANDARD: \$15.0		
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input checked="" type="checkbox"/> SEE SCHEDULE			12. DISCOUNT TERMS NET 30 PROMPT PAY		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		13b. RATING
15. DELIVER TO OFFICE OF SINGLE FAMILY HOUSING ATLANTA HOMEOWNERSHIP CENTER FIVE POINTS PLAZA 40 MARIETTA STREET ATLANTA GA 30303-2806			CODE HUD-4AHH		16. ADMINISTERED BY US DEPARTMENT OF HUD OFFICE OF THE CHIEF PROCUREMENT OFFICER METCALFE FEDERAL BUILDING 77 WEST JACKSON BLVD ROOM 2517 CHICAGO IL 60604-3507		
17a. CONTRACTOR/ OFFEROR See Schedule			CODE FACILITY CODE		18a. PAYMENT WILL BE MADE BY ARCASDAPB ARCASDAPB AVERY 3G PO BOX 1328 ACCOUNTSPAYABLEFISCALTREASURYGOV PARKERSBURG WV 26106-1328		
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER			18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM				
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES				21. QUANTITY	22. UNIT	23. UNIT PRICE
	Tax ID Number: 27-0595698 DUNS Number: Not Available SMALL BUSINESS ADMINISTRATION 831854596 MORTGAGE ASSISTANCE AND ACQUISITIONS GROUP LLC ATTN: FREDERICK C DOUGLAS 15301 MORNINGMIST LANE Continued ... (Use Reverse and/or Attach Additional Sheets as Necessary)						
25. ACCOUNTING AND APPROPRIATION DATA See schedule						26. TOTAL AWARD AMOUNT (For Govt Use Only) \$3,066,230.00	
<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input checked="" type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4 FAR 52.212-5 IS ATTACHED. ADDENDA						<input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED <input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED	
<input checked="" type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.						<input type="checkbox"/> 29. AWARD OF CONTRACT: DATED . YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS.	
30a. SIGNATURE OF OFFEROR/CONTRACTOR <i>Frederick C Douglas</i>				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) <i>Gene H. Jackson</i>			
30b. NAME AND TITLE OF SIGNER (Type or print) Frederick C Douglas				31b. NAME OF CONTRACTING OFFICER (Type or print) GENE H. JACKSON			
30c. DATE SIGNED 9-24-19				31c. DATE SIGNED SEP 24 2019			

19 ITEM NO	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23 UNIT PRICE	24 AMOUNT
	SILVER SPRING MD 20906 301-233-2177 Invoice Approver/COR: AUGUSTIN, VALENCIA Inv Approver/COR Backup1: JACKSON, GENE				

32a. QUANTITY IN COLUMN 21 HAS BEEN

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

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32c. DATE

32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER

34. VOUCHER NUMBER

35. AMOUNT VERIFIED
CORRECT FOR

36. PAYMENT

37. CHECK NUMBER

☐ PARTIAL ☐ FINAL

☐ COMPLETE ☐ PARTIAL ☐ FINAL

38. S/R ACCOUNT NUMBER

39. S/R VOUCHER NUMBER

40. PAID BY

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT

42a. RECEIVED BY (Print)

41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER

41c. DATE

42b. RECEIVED AT (Location)

42c. DATE REC'D (YYMMDD)

42d. TOTAL CONTAINERS

SECTION C - Description/Specifications

C.1 PERFORMANCE WORK STATEMENT - INSURANCE ENDORSEMENT PROCESSING SERVICES

Performance Work Statement (PWS) Insurance Endorsement Processing Services (IEPS)

Vision Statement

The vision of this requirement is to obtain contractor support to assist HUD with the support services and the endorsement of FHA case binders. By obtaining these services, HUD will be able to improve the processing of case binders for endorsement.

1 General Information

1.1 Introduction

The U.S. Department of Housing and Urban Development (HUD) /Office of Housing is seeking contractor support to provide support services through the stages of the life of a case binder for processing and perform insurance endorsement processing services on a daily basis at the Atlanta Homeownership Center.

1.2 Background

HUD has required Insurance Endorsement Processing Services (IEPS) since the inception of Federal Housing Administration (FHA) insured loans. HUD has procured these services since the formation of the Atlanta Homeownership Center (AHOC) in 1998. The AHOC processes endorsements for the states of Florida, Georgia, Alabama, Mississippi, South Carolina, North Carolina, Tennessee, Illinois, Indiana, Kentucky and, US Virgin Islands, the Commonwealth of Puerto Rico. The IEPS ensures that loans meet the requirements established by FHA prior to being insured.

1.3 Constraints

The services identified in this PWS will adhere to the rules, regulations, laws, standards, and conventions identified by HUD as well as within the Federal Government. Constraints include the following:

- must be on-site at the Atlanta Homeownership Center to perform work
- all Contractor staff must complete a personal identity verification (PIV) process to access facilities and computers
- repetitive lifting of heavy boxes weighing up to 50 pounds
- maintain updated knowledge of FHA's Single Family Housing Policy Handbooks and Mortgagee Letters
 - HUD Handbook 4000.1 FHA Single Family Housing Policy Handbook (Online) Effective August 17, 2021
 - HUD Handbook 4235.1 Home Equity Conversion Mortgages
 - HECM Financial Assessment and Property Charge Guide 2016

- Contractor staff must annually complete HUD's Security Awareness Training (on-line) and complete an annual FHAC Rules of Behavior Agreement
- Mortgagee Letters

1.4 Description of Services

This requirement is for a new contract to perform support services through the life of a case binder and Insurance Endorsement Processing Services (IEPS) on a daily basis for the U.S. Department of Housing and Urban Development (HUD) at the Atlanta Homeownership Center (AHOC).

1.5 Non-Personal Services

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

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

1.6 Period of Performance

The period of performance shall be for five (5) years.

1.7 Place of Performance

The services to be performed under this contract shall be performed at the Atlanta Homeownership Center (AHOC), US Dept. of HUD, 40 Marietta Street, 5th Floor, Atlanta, GA 30303.

1.8 Hours of Operation

The Contractor shall perform the required work on-site at the AHOC between the business hours of 7:00am - 6:00pm EST Monday thru Friday except for Federal holidays or when the Government facility is closed due to local or national emergencies, administrative closing, or similar Government directed facility closings. Weekly hours shall not exceed a forty (40) hour work week and a typical work day will be 8 hours each day Monday through Friday. The Contractor is allowed to work anytime between the hours listed above as long as they do not exceed a 40 hour work week. The Government reserves the right to change hours of operation or restrict contractor access. Additional hours extending beyond the above business hours is prohibited without CO or COR approval to confirm HUD personnel on-site. Government agencies will not be available during scheduled holidays, inclement weather, weekends, and after duty hours.

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

1.9 Special Qualifications

The contractor shall use personnel meeting the qualifications stated below in performing its efforts on this contract.

On-site Project Manager and/or On-site Alternate Project Manager:

- High School Diploma and a minimum of 3-10 years in Mortgage Banking in one or more of the following capacities: DE Underwriter, Senior Loan Processor, Loan Servicing/Shipping Specialist, Senior Funding/Loan Document Processor, Loan Escrow, Loan Closer

Endorsement Tech:

- High School Diploma and a minimum of 2-3 years of experience in one or more of the following
- capacities: Data Entry Processor, Loan Processor, Loan Servicing/Shipping Clerk, Funding/Loan Document Processor, Loan Escrow, Loan Closer

IEPS Support Staff:

- High School Diploma and minimum of 0-1 years for experience in one or more of the following
- capacities: Mail Clerk (shipping and receiving mail, mail distribution), Data Entry Processor, Document Processor (makes copies, scans documents)

1.10 Post Award/Kickoff Conference

The Contractor shall attend any post award conference convened by the contracting activity or contract administration office in accordance with FAR Subpart 42.5. The Government intends to convene a Post Award Conference with the Contractor within ten (10) business days after contract award. The Contracting Officer will notify the Contractor of the specific date, location, and agenda within five (5) business days after contract award.

1.11 Status Meetings

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

1.12 Contractor Travel

No contractor travel is anticipated during the performance period of this contract. HUD will not reimburse any travel under this contract.

1.13 Transition In

The Contractor shall, upon the Contracting Officer's written notice, furnish Transition-In services as required. As a successor, the Contractor shall have sufficient personnel on board, at no additional cost to the Government, during the 60 day Transition-In period to ensure a smooth transition with the incumbent Contractor. The Contractor shall provide an orderly transition of work acceptance and accomplishment such that any impact to the program is minimized. During the Transition-In period, the Contractor shall become familiar with the requirements in order to commence full performance of services by the end of

the contract Transition-In period. Transition-In is not required if the successor Contractor is the incumbent Contractor.

1.14 Transition Out

To minimize any decrease in productivity and to prevent possible negative impacts on additional services, the Contractor shall have sufficient personnel on board, at no additional cost to the Government, during the 60 day Transition-Out period. The incumbent Contractor shall ensure a smooth transition with the successor Contractor during the Transition-Out period, prior to completion of contractual performance. The incumbent Contractor shall aid the successor in the development of plans, procedures, and methods for the assumption of all on going work. The Contractor shall provide an orderly transition of work acceptance and accomplishment, such that full control by the successor Contractor is achieved by the end of the new contract Transition-In period.

2 Definitions and Acronyms

2.1 Definitions

203(h) - A single family program for victims of Presidential declared disaster areas.

203(k) - A single family program for the rehabilitation and repair of single family properties.

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

Calendar Day - Any day of the week.

Case Binder - May be used interchangeable with "file," "loan package," "case," or "binder" and refers to the entire underwriting package of documents on closed loans submitted by mortgagees (lenders) to the AHOC for issuance of a MIC.

Contract - A written mutually binding legal relationship obligating the seller to furnish the supplies and/or services and the buyer to pay for them.

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

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

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

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

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

eCB - electronic case binder

FHA Catalyst Electronic Document Delivery (EDD) - FHA Catalyst Electronic Document Delivery is a web-based platform utilized by lenders to securely submit documents to HUD. FHA loan files can be submitted to HUD through the submission of paper files or via electronic files using the FHA Catalyst Electronic Document Delivery System.

Flipping - The practice whereby a property recently acquired is re-sold for a considerable profit with an artificially inflated value, often abetted by a lender's collusion with the appraiser. Most property flipping occurs within a matter of days after acquisition, and usually with only minor cosmetic improvements, if any. Unscrupulous investors will often flip properties they have contracted to purchase (but have not yet acquired) by selling or assigning the rights to the sales contract, which is prohibited.

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

Key Personnel - Personnel specifically considered being essential to the work being performed under this contract. For this contract, Key Personnel are defined as the on-site contract manager and alternate on-site contract manager. Additionally, the person responsible for the contract and anyone who shall make decisions on his/her behalf shall be considered as Key Personnel. At least one Key Personnel shall be on site anytime contractor personnel are working.

Owner of Record - The party established by a copy of a recorded deed, a property sales history report, or other documentation (such as a property tax bill, a title commitment or binder) as the owner of the property.

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

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

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

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

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

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

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

References - Refers to all FHA/HUD Handbooks, Mortgagee Letters, Notices, Circular Letters, as well as through the internet at www.hud.gov and www.hudclips.org.

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

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

Subject Matter Expert (SME) - an individual that assist in providing technical direction and monitoring performance under the contract.

TransAccess/Tap Track/TracIt/TapTrac - The bar coding/scanning system that is used by the AHOC to track case binders.

Work Day - The day the Contractor provided services in accordance with the contract

Work Week - Monday thru Friday, unless specified otherwise

2.2 Acronyms

AHOC - Atlanta Homeownership Center

APL - Acceptable Performance Level

AQL - Acceptable Quality Level

ARM - Adjustable Rate Mortgage

AUS - Automated Underwriting System

CBT - Computer-Based Training

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

CFR - Code of Federal Regulations

CHUMS - Computerized Home Underwriting Mortgage System

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

CO - Contracting Officer

COR - Contracting Officer Representative

CPO or OCPO - Office of the Chief Procurement Officer of HUD

EAD - Electronic Appraisal Delivery

eCB - Electronic Case Binder

EDD- Electronic Document Delivery

DE - Direct Endorsement

EST - Eastern Standard Time (US)

FHA - Federal Housing Administration

FHAC - Federal Housing Administration Connection (FHA computerized system)

FRC - Federal Records Center

GAO - U.S. General Accounting Office

GFP - Government Furnished Property

HECM - Home Equity Conversion Mortgage

HOC - Atlanta Homeownership Center
HUD - U.S. Department of Housing and Urban Development
HUDAR - HUD Acquisition Regulation
HUD Web - HUDs Intranet Web Site and related WEB pages
IEPS - Insurance Endorsement Processing Services
IG or OIG - Inspector General (Office of)
IT - Information Technology
LT- Loan Transmittal
MCAW - Mortgage Credit Analysis Worksheet
MCC- Master Conditional Commitment
MIC - Mortgage Insurance Certificate
MIP - Mortgage Insurance Premium
NARA - National Archive Records Administration
NOR - Notice of Return
OCPO - Office of the Chief Procurement Officer
OIG - Office of Inspector General
OMB - Office of Management and Budget
PBC - Performance Based Contract
PM - Project Manager
POC - Point of Contact
PWS - Performance Work Statement
QA - Quality Assurance
QASP - Quality Assurance Surveillance Plan
QCP - Quality Control Plan
REO - Real Estate Owned
SF - Standard Form
SME - Subject Matter Expert
TBD - To be determined
URAR - Uniform Residential Appraisal Report
URLA - Uniform Residential Loan Application
U.S.C - United States Code
VOD - Verification of Deposit
VOE - Verification of Employment

3 Government Furnished Property (GFP) and Services

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

The Contractor must not utilize Government Furnished facilities, equipment or materials for any other purpose than provided for in this contract.

3.1 Government Services

The Government will provide a training session at the commencement of the contract (not to exceed eight (8) hours), given by the AHOC on the FHA Connection system and other pertinent program requirements. The Contractor will be responsible for training all future employees on all pertinent information necessary to perform this work. In the event that the Contractor is unable to acquire the necessary skills to perform the requirements under this contract following the maximum eight (8) hours of

training, the Contractor may be subject to formal contract action, such as termination. HUD will not reimburse the Contractor for any expenses incurred for this training. Training will not be provided if the successor Contractor is the incumbent Contractor.

From time to time, certain case binders may require special processing instructions thus specific training shall be provided by HUD staff as designated by the COR, or Subject Matter Expert (SME).

3.2 Facilities

The Government will provide an adequate work area to accommodate the handling of daily support services and insurance endorsement processing services. The location of the work area will be at the Atlanta Homeownership Center currently located at 40 Marietta Street, 5th Floor, Atlanta, GA 30303.

3.3 Equipment

The Government will provide:

- access of two (2) computers for support service processing and one (1) computer per contractor staff for insurance endorsement processing services, not to exceed a total of fifteen (15) computers
- one workstation per Contractor staff up to maximum of fifteen (15) workstations
- access to FHA Connection and TransAccess/TapTrack/TracIt/TapTrac
- access to handheld scanner
- access to five (5) telephones
- access to a printer/scanner/copier
- adequate work area to accommodate the handling of daily support services (incoming binder sorting and outgoing binder shipments to the Federal Record Center, Return to Lender binders and HECM document mailing)

Each computer will be linked to local servers and/or the internet for the Contractor to access FHAC in order to perform the duties of the PWS. Every effort will be made for equipment and FHAC availability and for technical assistance from HUD staff during core business hours of 8:00 am to 4:30pm. Should a computer system interruption occur in excess of two (2) consecutive hours in any business day, delivery times will be accommodated by mutual consent between the Contractor, the CO and the COR.

3.4 Materials

The Government will provide the case binders for IEPS and the following proprietary items: endorsement stamps, review stamps, labels, toner for the printers, boxing tape, boxes for shipment to the Federal Record Centers, and envelopes. The endorsement checklists will also be provided and may be reproduced by the Contractor, as needed, using HUD's copying equipment. These checklists may be updated as needed during the term of the contract. No other materials will be provided.

All materials will remain the property of the Government and will be returned to the COR upon request or at the end of the contract period.

3.5 Quality Assurance (QA)

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

4 Contractor-Furnished Items and Services

The Contractor shall furnish all facilities, equipment, and materials required to perform the work under this contract that are not listed under Government Furnished Property (GFP) and Services.

4.1 Facilities

N/A

4.2 Equipment

N/A

4.3 Material

N/A

4.4 Contractor Responsibilities

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

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

The contractor must maintain regular, frequent and responsive contact with the CO, COR and SME. The contractor must provide the CO with the signed original of the Contractor Employees Non-Disclosure Agreement no later than two (2) business days before the Post Award Conference or two (2) business days before a new employee starts work on this contract.

4.5 Contractor Personnel

The Contractor shall provide an On-site Project Manager who shall be responsible for the performance of work. An alternate shall also be designated to act in the absence of the On-Site Project Manager. These Contractor personnel (main point of contact and alternate point of contact) are considered Key Personnel by the Government and shall be listed as such in accordance with HUDAR 2452.237-70, "Key Personnel." The On-Site Project Manager and alternate shall have full authority to act on all contract matters relating to daily operations of this contract. Accordingly, at a minimum, the project managers shall have the technical knowledge of the requirements and be in the position to actually receive assignment, guidance, and direction from the CO, COR and SME per HUDAR 2452.237-73, "Conduct of Work and Technical Guidance" and shall be allocated enough hours to the requirement to ensure successful performance. These project managers shall each be an employee of the Contractor. An employee of a subcontractor is not acceptable for either of these positions. The Project Manager or

alternate shall be available between the hours of 8:00am to 4:30pm EST Monday through Friday, except Federal Holidays or when the Government facility is closed for administrative reasons.

At least one Project Manager shall be on-site any time contractor personnel are working.

4.6 Identification of Contractor Employees

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

4.7 Quality Control

The Contractor shall establish and maintain a complete quality control program that shall ensure services are performed in accordance with this contract. The Contractor shall develop and implement procedures to identify, prevent, and ensure non-reoccurrence of defective services.

The Contractor's quality control program is the means by which they assure themselves that their work complies with the requirements of the contract. The Contractor shall provide the associated Quality Control Plan to the Government as directed.

4.7.1 Quality Control Plan

The Contractor shall develop, maintain, enforce, and document a Quality Control Plan (QCP).

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

The QCP shall also contain a detailed description of how the work deadlines and the estimated quantities will be met and shall include what plans are in place in the event of an emergency, which interrupts the flow of work. An emergency may include but not limited to an employee's illness, resignation and/or vacation. The QCP shall be considered a living document and shall be required to be updated by the Contractor as conditions and contract requirements are revised. The QCP shall include a second review of all NOR's while maintaining the standard that they are mailed within one (1) business day of the NOR being issued. The plan shall also include a daily QC review of 10% of the previous days work. A QC

Log shall be completed and maintained by the Contractor, and be available upon request by the CO, COR or SME.

5 Specific Tasks

5.1 Support Services

The Contractor shall perform the following support services through the stages of the life of a case binder received at the Atlanta Homeownership Center for processing.

5.1.1 The Contractor shall pickup incoming mail from the mailroom and open case binder packages for processing.

- pickup twice daily
- ensure mailroom manifest matches the packages received
- maintain a copy of the mailroom manifest
- date stamp the received date on the front of each case binder

5.1.2 The Contractor shall enter the FHA case number from each case binder into ~~TraceIt~~ TapTrac (or current system) to create a bar code for each case binder.

- Print the created bar code label and affix to the front of each case binder (centered sideways along the ridge edge)

Performance Standards

a) Standard: Bar code created for each case binder received.

AQL: no more than 5 incorrect or missing bar codes monthly

5.1.3 The Contractor shall scan the bar code with provided scanner into the Closing Package Logging screen in FHA Connection to document receipt.

- Print completed Closing Package Logging Results screens for the daily case binder count.
- Provide the COR and SME an email daily of all case binders bar coded and data entry (scanning) completed into FHAC (Closing Package Logging Results screen).
- Provide the COR or SME daily any case binders with bar coding or scanning problems.

FHA Case Logging for FHA Catalyst Electronic Document Delivery (EDD) Case Binders

- The Contractor shall log the case binders received from lenders upload through FHA Catalyst into FHA Connection Closing Package Logging Screen,
- The Contractor shall complete closing package logging within two (2) business days of receipt of EDD binders in the FHA Catalyst.
- The Contractor shall monitor, review, and reconcile case status variances between FHA Connection and FHA Catalyst daily.

Deliverables

A002 Daily Email with Count of Cases

5.1.4 The Contractor shall scan the bar code on each case binder to its destination and distribute to staging area for pickup by HUD staff.

- The destination of the case binder is displayed on the Closing Package Logging screen.
- Destination could be: LRS-QAD, LRS-PUD, ARR, Not Authorized for HOC, etc.

5.1.5 The Contractor shall return the case binders to the lender that were not requested and any other case binders designated by the COR or SME for return.

- Case binders being returned to lenders shall be returned within three (3) business days of receipt and the bar code on the case binders scanned "Return to Lender".
- Case binders received belonging to the other HOCs for processing shall be mailed weekly to the appropriate HOC and the bar code on the case binders scanned to the appropriate HOC.
- Case Binders that are refiles to the various Record Centers shall be mailed weekly to the appropriate Record Center and the bar code on the case binders scanned to the appropriate Record Center.
- Case Binders received that were requested by various outstationed HUD staff (OIG, GAO, OGC, etc.) shall be mailed weekly to the appropriate Requestor and the bar code on the case binders scanned to the Requestor.

5.2 Insurance Endorsement Processing Services (IEPS)

The Contractor shall determine whether case binders, including eCBs, submitted for insurance endorsement processing are in compliance with HUD requirements. This includes review of the submitted case binder, including eCBs, and verifying that FHA Connection reflects accurate data. Only complete case binders, including eCBs, shall be endorsed and paper binders shipped to the Atlanta Federal Record Center (FRC) or routed to their destination (LRS-PUD, LRS-QAD, ARR, HECM, etc.) via ~~Trace~~ TapTrac (or current system). The Contractor shall ensure that data integrity and confidentiality are safeguarded by not disclosing information to individuals not authorized access by HUD.

FHA Catalyst Electronic Document Delivery (EDD) for Endorsing FHA Loans

FHA loan files can be submitted to HUD through the submission of paper files or via electronic files using the FHA Catalyst Electronic Document Delivery System. The Contractor shall be given access and shall have the ability to review and endorse files by either method. The same performance requirements and quality standards apply to files submitted through FHA Catalyst as with processing paper case binders or E-Case Binders as stated in this PWS. The date the file is endorsed in FHA Connection is the date which will be used to calculate when the file is completed. The same performance requirements and quality standards apply to files submitted through FHA Catalyst as with processing paper case binders or E-Case Binders as stated in this PWS. The date the file is endorsed in FHA Connection is the date which will be used to calculate when the file is completed.

The Contractor shall endorse/NOR all case binders, including eCBs, within three (3) business days of assignment and maintain a 90% or greater accuracy.

5.2.1 The Contractor shall utilize the case type specific Endorsement Review Checklists to make the decision whether to endorse or NOR a case binder.

The contractor shall utilize the following Endorsement Review Checklists:

- Pre-Endorsement Review Checklist
- HECM Pre-Endorsement Review Checklist

The contractor shall not alter the checklists in any manner. The checklists and other instructions may be revised and updated by HUD to comply with any changing requirements. Any updates shall be provided by the COR or SME as they occur. The checklists specify the degree of review required for each item to determine if the case binder shall be endorsed or a Notice of Return (NOR) issued. The completed checklists shall be included in each case binder, including eCBs. An eCB will require that the checklist be scanned and uploaded into the binder using FHAC.

Performance Standards

a) Standard: 100% use of case type specific endorsement review checklist

AQL: no more than 5 case binders, including eCBs, are missing the case specific endorsement review checklist

5.2.2 The Contractor shall review documents in the case binder for data integrity.

Data integrity is a crucial aspect of the insurance endorsement processing services and shall be safeguarded. The Contractor shall review all data on the: FHAC Insuring Screens for Purchases, Refinances and HECM loans, Case Query Screen, Appraisal Logging Screen and Case Warning Screen, against the appropriate source documents. F

The Contractor shall review documents in the case binder for data integrity (FHA Catalyst) and seek technical direction from the COR/SME when receiving Case Warnings, misrouted files, duplicate and files that are uploaded in error in FHA Catalyst. The HOC may require certain files and/or error processing messages to be resolved by HUD staff. The Contractor shall route these files with FHA Connection generated error messages to HUD staff for resolution. These messages may include but not limited to Case Warnings, multiple loans, and Pre-Closing files.

The Contractor will be provided further guidance on the disposition and routing of these files by the COR/SME. The Contractor shall take active quality control measures in accordance with the Quality Control section in this PWS. The Contractor shall reconcile any differences between FHA Connection and FHA Catalyst within 48 hours.

The Contractor shall keep a log of all file submission errors by the lenders and workarounds, if implemented by the Contractor. The Contractor shall communicate all data integrity issues to the COR, and enter these issues into the aforementioned log, within one business day of the issues being identified by the Contractor.

HA Connection lender printouts shall not be used to verify data accuracy. The Mortgage Credit Analysis Worksheet (MCAW) or Loan Transmittal (LT) is not a source document for the mortgage amount, interest rate, borrower names, or social security number. It is a worksheet only. The Contractor shall make modifications to the data in FHA Connection to accurately reflect the source documents, and to ensure an accurate endorsement of the loan. The Contractor shall make no major changes to the name or

to the address of the property without the consent of HUD staff as designated by the COR or SME.

Unacceptable critical endorsement errors include:

- *endorsing a loan under the wrong case number
- *endorsing a loan with the wrong mortgage amount or interest rate
- *endorsing a loan in the name of an incorrect lender
- *endorsing a loan in the name of the incorrect borrower
- *endorsing a loan which should have been rejected (NORd) for missing documents, late payments or incorrect data entry
- *unendorsed/NOR cases shipped to record center or not properly returned to lender

If the lender has not entered the appraisal and insurance application data, the Contractor shall not endorse the binder and return the binder to the lender. A designated form letter that explains the reason for return shall be attached to the case binder, the case binder shall be scanned "Return to Lender" and mailed back to the lender. In instances where the lender has gone out of business, the Contractor will be provided with additional instructions, as needed.

The contractor shall correct inadequate or incorrect endorsements made by the Contractor at no additional expense to the government. Corrections may be requested by the COR or SME as a result of a quality assurance review. The contractor shall review the errors and complete corrections within three (3) business days of receipt. If a correction is unable to be processed, it shall be returned to the COR or SME with an explanation for further action.

The AHOC will require certain files and/or error processing messages to be resolved by HUD staff. The Contractor shall route these binders with FHAC generated error messages to HUD staff for resolution. These messages may include: case warning, multiple loans, pre-closing binders, etc. The Contractor will be instructed on the disposition and routing of these files by the COR or SME.

Performance Standards

- a) Standard: Of the files QC'd by HUD, 90% compliance with data integrity is required
AQL: 10% deviation

5.2.3 The Contractor shall issue a Mortgage Insurance Certificate (MIC) or Notice of Return (NOR).

The Contractor shall issue a MIC through FHA Connection for each endorsed case binder, including eCBs, unless otherwise instructed by the COR. In addition, the case binder shall be stamped as endorsed and shall be clearly marked, if appropriate, such as, LRS, ARR, HECM, etc. If a LRS is required, the outside of the case binder shall be annotated with a red "LRS-PUD or LRS-QAD" and placed in the designated area for pickup by HUD Staff. From time to time, other types of case binders may be designated by the COR or SME to be separated, either prior to or after endorsement for further review by HUD staff. All case binders must be scanned to their destination. Once endorsed, case binders are to be shipped to the Atlanta Federal Records Center.

If a binder cannot be endorsed, including eCBs, a Notice of Return (NOR) shall be issued. The Contractor shall review the case binder, including eCBs, in its entirety to ascertain all reasons for return are clearly and concisely noted on the NOR. The contractor shall check the appropriate boxes on the "Notice of Return" screen in FHAC and enter any comments necessary, with clarifying language. The NOR and all applicable forms shall be fastened to the top right inside of the case binder and the case binder shall be returned to the Lender within one (1) business day. The case binder should be scanned using "Return to Lender bar code. The Contractor shall review and clear all responses to NOR case binders, including eCBs, unless directed otherwise by the COR or SME. If a case binder, including eCBs,

requires rejection more than once, the Contractor shall bring the file to the COR or SME for further disposition.

NOR Resubmission

The Contractor shall process NOR resubmissions once the lender provides documentation to clear the NOR. The NOR resubmission will be submitted via FHA Catalyst if the original case file was submitted in FHA Catalyst. Paper files that were NOR'd shall be processed using paper processing procedures. If an original paper file is resubmitted in Catalyst, it will be reviewed electronically along with any corrections.

Performance Standards

a) Standard: An average of all case binders received for the month are endorsed or a NOR is issued within three (3) business days. This average is obtained from the monthly IQCA/IQCB Report.

AQL: zero deviation

Deliverables

A003 Reviewing FHA Case Binders

5.2.3.1 Problem Cases

The contractor shall not attempt to endorse a loan file with Hard Stops and/or another severe system warning/insuring error message. Depending on the severity of the error(s), the file shall be either NOR'd and return to the lender or escalated to HUD staff as Problem Cases for further review. These messages may include case warning messages, pre-processing reject codes, and pre-closing files. The contractor shall use the Problem Case templates (Attachments 8 & 9) to annotate the reasons for the escalation; refer to Attachment 11 for further guidance.

Performance Standards

a) Standard: Accurately route Problem Cases to HUD staff for review.

AQL: 10% Deviation

5.2.4 The Contractor shall provide additional processing to endorsed Home Equity Conversion Mortgage (HECM) Case Binders.

For HECM endorsed case binders, the Contractor shall pull the original second note and the original/certified true copy of the Second Mortgage/Deed of Trust and mail to the HUD's Servicing Contractor at the address provided by the COR (or designee). The address currently is:

Novad Management Consulting
Shepherds Mall
2401 NW 23rd Street, Suite 1A1
Oklahoma City, OK 73107

The three (3) original Loan Agreements and the one (1) Notice to the Borrower are to be pulled and stamped with the provided signature stamp. One (1) Loan Agreement and the Notice to the Borrower will be mailed to the Borrower, one (1) Loan Agreement will be mailed to the Lender and one (1) Loan Agreement will be fastened down on the left side of the case binder. The documents to be mailed as indicated above shall be mailed within three (3) business days of the case binder endorsement. The case binder shall be stamped on the outside of the binder as "endorsed. "

5.2.5 The Contractor shall prepare endorsed FHA case binders for shipment to the Atlanta Federal Records Center/ NARA for Archiving/Storage and route Destruction of Duplicate Endorsed Case Binders. In ~~or in~~ the case binders to the lender.

Case binders to be archived are shipped to the Atlanta Federal Records Center/NARA. They must be scanned to "Atlanta Federal Record Center," case numbers entered into TransAccess (or current record keeping system), and binders placed in shipping boxes. Each shipping box shall contain a transmittal sheet printed out and placed on top of the case binders in the box.

Shipping boxes shall be loaded onto a cart and placed in a designated area for pick-up by Atlanta Federal Records Center staff.

NOR cases binders must be returned to the Lender within one (1) business day and the case binder should be scanned using the "Return to Lender" bar code.

Additionally, Contractor shall verify if physical FHA case binder is endorsed and already located in FHA Catalyst. If a duplicate endorsed FHA case binder is identified, lender should route this for destruction, per the guidance from the COR or SME.

Performance Standards

a) Standard: Prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender.

AQL: no more than 5 boxes (case binders sent to Record Center) or 5 case binders returned for being incorrectly shipped/mailed

5.3 Scanning Services

- The Contractor shall scan the contents of any request case binders, save and transmit the scanned documents.

5.3.1 The Contractor shall scan the contents of requested case binders, save and transmit the scan documents.

- The contents of the case binders shall be scanned into separate documents (case number-left side and case number-right side). In the event there is an extremely large number of documents on either side of the binder, that side may require separate scans (increasing the total document count for that case binder). The current scanner has scanning limitations on the number of pages it will scan at one time.
- Once the entire case binder is scanned and saved, the contractor shall transmit the scanned case binder. The binder may be transmitted by email, uploaded to a SharePoint site or any other method determined by HUD. The contractor may also be requested to convert the separate scans into one pdf document for transmittal.
- No more than twenty (20) scans will be requested in one (1) day and scan request will be provided to the Contractor by 1pm.
- The Contractor shall have three (3) business days to complete the process once a case binder scan is requested.
-

Performance Standards

a) Standard: Each case binder scan request will be completed within three (3) business days.

AQL: no more than five (5) completed scans completed greater than three (3) business days

b) Standard: Of the scanned case binders QC'd by HUD, no more than 10 missed pages in the completed scans.

AQL: 10 missed pages
Deliverables
A004 Scanned Case Binders

6 Deliverables

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

Number	Name	Frequency	Quantity
A001	Quality Control Plan (QCP)	once	1
A002	Daily Email with Count of Cases	daily	undetermined
A003	Reviewing FHA Case Binders	daily	undetermined
A004	Scanning Case Binders	daily	undetermined

6.1 Quality Control Plan

The Contractor's QCP shall be delivered to the CO and COR within 30 (thirty) days after contract award (or with the Contractor's proposal if it is an evaluation factor). The QCP shall be submitted to the CO and COR within 5 (five) business days when changes are made thereafter. After acceptance of the QCP, the Contractor shall receive the Contracting Officer's acceptance in writing of any proposed change to its quality control system.

6.2 Acceptance Criteria

HUD will randomly select a representative sample of the contractor's work for review. These reviews will be used to determine the accuracy, quality and completeness of the contractor's work. The COR (SME or designee) will provide monthly feedback to the contractor based on the results of HUD's reviews. The result of the randomly sampled cases shall be considered to be a representation of the Contractor's overall performance under the contract.

Continual serious performance problems shall result in additional contractual remedies, as permitted by the contract terms or conditions.

6.3 Monthly Invoice

The monthly invoice submitted by the Contractor for the Support Services will be reviewed against the daily listings of binders bar coded and data entry (scanning) completed into FHAC (Closing Package Logging Results Screen). This listing should be emailed to the COR and SME daily as noted in Section 5.1.3 of the PWS. The daily listings of binders bar coded and data entry (scanning) completed into FHAC (Closing Package Logging Results Screen) shall be the official documentation for payment. This is a separate service than Insurance Endorsement Processing Services and Scanning Services and should be billed separately, but on the same invoice.

The monthly invoice submitted by the Contractor for Insurance Endorsement Processing Services will be reviewed against the monthly FHAC DEPCON Reports (IQCA and IQCB) and the contractor will be paid for only those files endorsed or rejected for the first time by it's staff. The AHOC will not pay for cases resubmitted or corrected. The FHAC Reports (IQCA and IQCB) will be the official supporting documentation for payment and the Contractor will be provided a copy of these reports. This is a separate

service than Support Services and Scanning Services and should be billed separately, but on the same invoice.

The monthly invoice submitted by the Contractor for the Scanning Services will be reviewed against the Completion Log of Assigned/Completed Scans. This is a separate service than Insurance Endorsement Processing Services and Support Services and should be billed separately, but on the same invoice.

The monthly invoice should be submitted to the COR within 30 days of receipt of the FHAC DEPCON Reports (IQCA and IQCB) and the CORs monthly Work Volume/QC Report.

Phase-In Forbearance: To allow for a "learning curve," there will be a 60 day forbearance period from the date of award before any performance incentives or disincentives are applied. If the contract is awarded to the incumbent contractor, the Phase-In Forbearance period will not apply.

7 Performance Requirements Summary

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

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

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

The performance standards will be fully enforceable starting 60 days from date of contract award unless award to incumbent.

8 Related Documents

The Contractor shall abide by all applicable regulations, publications, manuals, policies, and procedures in the performance of this contract.

- 1) Attachment 1 – Closing Package Logging Screen
- 2) Attachment 2 - AHOC IEPS FHA Catalyst Guide
- 3) Attachment 3 - Pre-Endorsement Review Checklist (Non-HECM Loans)
- 4) Attachment 4 - HECM Pre-Endorsement Review Checklist
- 5) Attachment 5 - FHAC Screens Shots (Non-HECM)
 - a. non-HECM Appraisal Logging
 - b. non-HECM Case Query
 - c. non-HECM Case Warning
 - d. non-HECM Insurance Application
 - e. non-HECM Notice of Return (NOR)
 - f. non-HECM Mortgage Insurance Certificate

- 6) Attachment 6 FHAC Screens Shots (HECM)
 - a. HECM Appraisal Logging
 - b. HECM Case Query
 - c. HECM Case Warning
 - d. HECM Insurance Application
 - e. HECM Notice of Return (NOR)
 - f. HECM Mortgage Insurance Certificate
- 7) Attachment 7 – Problem Case Routing Slip
- 8) Attachment 8 - Problem Case Email Template
- 9) Attachment 9- NARA packing instructions: <https://www.archives.gov/frc/records-transfer>
- 10) Attachment 10- AHOC Problem Case Guide
- 11) Attachment 11 NOR Resubmission Catalyst Guide

Performance Requirement Summary (PRS)

Statements		Standards/AQLs	Incentive/Remedy
5.1	Support Services		
5.1.1	The Contractor shall pickup incoming mail from the mailroom and open case binder packages for processing.		
5.1.2	The Contractor shall enter the FHA case number from each case binder into TracIt/TapTrac (or current system) to create a bar code for each case binder.	a) Bar code created for each case binder received. AQL: no more than five (5) incorrect or missing bar codes monthly	When a cumulative monthly total of incorrect bar codes is greater than five (5), a disincentive fee of \$100 shall be levied against the monthly invoice.
5.1.3	The Contractor shall scan the bar code with provided scanner into the Closing Package Logging screen in FHA Connection to document receipt.		
5.1.4	The Contractor shall scan the bar code on each case binder to its destination and distribute to staging area for pickup by HUD staff.		
5.1.5	The Contractor shall return the case binders to the lender that were not requested and any other case binders designated by the COR or SME for return.		

5.2	Insurance Endorsement Processing Services (IEPS)		
5.2.1	The Contractor shall utilize the case type specific Endorsement Review Checklists to make the decision whether to endorse or NOR a case binder.	a) 100% use of case type specific endorsement review checklist AQL: no more than five (5) case binders, including eCBs, are missing the case specific endorsement review checklist	When a cumulative monthly total is greater than five (5) case binders, including eCBs, that are missing the case specific endorsement review checklist, a disincentive fee of \$100 shall be levied against the monthly invoice.
5.2.2	The Contractor shall review documents in the case binder for data integrity.	a) Of the files QC'd by HUD, 90% compliance with data integrity is required AQL: 10% deviation	The following disincentives shall be levied against the monthly invoice for endorsement processing: 11% error rate = 1% 12% error rate = 2% 13% error rate = 3% 14% error rate = 4% 15% error rate = 5%
5.2.3	The Contractor shall issue a Mortgage Insurance Certificate (MIC) or Notice of Return (NOR).	a) An average of all case binders received for the month are endorsed or a NOR is issued within three (3) business days. This average is obtained from the monthly IQCA/IQCB Report. AQL: zero deviation	If the average of all cases for the month exceeds three (3) business days, the government will round to the next whole number. An average over three (3) business days is subject to timeliness disincentive of 10% plus one percent (1%) for each day over three (3) business days.
5.2.4	The Contractor shall provide additional processing to endorsed Home Equity Conversion Mortgage (HECM) Case Binders.		
5.2.5	The Contractor shall prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender.	a) Prepare endorsed case binders for shipment to the Atlanta Federal Records Center or in the case of a NOR, return case binders to the lender. AQL: no more than five (5) boxes (case binders sent to Record Center) or five (5) case binders returned for being incorrectly	When a cumulative monthly total is greater than five (5) boxes or more that are returned from the record center with processing errors or greater than five (5) case binders returned/mailed to incorrect lender, a disincentive fee of \$100 shall be levied against the monthly invoice.

		shipped/mailed	
5.3	Scanning Services		
5.3.1	The Contractor shall scan the contents of requested case binders, save and transmit the scan documents.	<p>a) Each case binder scan request will be completed within three (3) business days. AQL: no more than five (5) completed scans completed greater than three (3) business days</p> <p>b) Of the scanned case binders QC'd by HUD, no more than ten (10) missed pages in the completed scans. AQL: ten (10) missed pages</p>	<p>If there are greater than five (5) completed scans for the month that exceeds three (3) business days, the government will apply a disincentive equal to the unit price cost of five (5) completed scans.</p> <p>If there are greater than ten (10) missed pages in completed scans, the government will apply a disincentive equal to the unit price cost of five (5) completed scans.</p>

FOIA Request # 23-FI-HQ-00283

The requestor is requesting the following under (2) "Currently assigned to the existing contract":

- PM/TM/POC: Name of contract oversight specialist is Mariano TorresFeliciano/Atlanta Homeownership Center (AHOC)/Program Management Division
- Contracting Officer Representative: Valencia Augustin/AHOC
- Contracting Officer: Lisa Simon/Office of the Chief Procurement Officer (OCPO)/Chicago Contracting Operations Division
- Contract Specialist: Donnie Reeves/OCPO/Chicago Contracting Operations Division