Massachusetts Housing Finance Agency (MassHousing)

One Beacon Street
Boston, MA 02108

REQUEST FOR PROPOSALS

FOR

Insurance Tracking Service
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I. STATEMENT OF PURPOSE

MassHousing (the “Agency”) is requesting proposals pursuant to this Request for Proposals (“RFP”) for an insurance tracker to enter into a three year contract with an option for a two year extension to provide insurance tracking services for all the Agency’s first mortgages. The services for which the Agency is requesting proposals is related to hazard and flood insurance.

The Agency is seeking proposals from qualified insurance trackers to provide services that will request, follow-up, process, audit and track all hazard and flood insurance billing and documentation for the single-family loans serviced by our organization. MassHousing will accept proposals from vendors that can provide the best tracking services and the best insufficient insurance resolution services.

II. BACKGROUND


MassHousing’s HomeOwnership Servicing and Operations business line oversees and services a portfolio of 25,702 single-family mortgage loans totaling $3.7 billion dollars to first time homebuyers and other qualified borrowers. These loans were originated by MassHousing-approved lenders across the state under MassHousing’s auspices and then subsequently purchased and serviced by the Agency. The mortgage portfolio consists of 17,032 first lien mortgages with the balance consisting of subordinate mortgage loans that are not subject to this procurement. The Agency’s HomeOwnership Production Department closed 3,687 loans ($728 million total production), of which 2,197 were first mortgages ($697.1 million total first mortgages) for fiscal year 2023.

For additional information about MassHousing, please visit our web site at www.MassHousing.com. For a detailed overview of MassHousing, including its financials, please review the most recent MassHousing Information Statement, and Annual Report. Both of these documents as well as others can be found on MassHousing.com website at https://www.masshousing.com/en/about/investors.

III. SCOPE OF WORK

The selected Respondent to this RFP must be able to track all missing insurance declaration pages, hazard, and flood insurance policies for our single-family first mortgage portfolio. This Respondent will improve our borrowers’ customer service
experience, reduce Agency risk exposure, eliminate paper insurance policies and invoices received at the Agency. With this engagement we want to accomplish eliminating paper insurance invoices, eliminate the need for our escrow staff to track down policies and, more importantly, provide tracking solutions that aide in reducing the number of borrowers unnecessarily forced-placed insurance, thus making the process a seamless one for our borrowers.

Implementation and Ongoing Tracking Services: Provide a project manager to work with the Agency staff during implementation. Implementation should be completed within 90 - 120 days from the signing of the agreement. As part of the implementation the service will provide training for the Agency staff. The service will set up a P.O. box where our borrowers’ paper insurance invoices will be sent, if necessary.

Policy and Document Tracking Services: Track cancellation of policies and perform all the necessary outreach to get an updated policy declaration and invoice. Ensure that the policies are with insurers who comply with applicable investor requirements (Fannie Mae, Freddie Mac, Ginnie Mae, etc.), the correct mortgagee clause is attached to each policy and do any necessary outreach to update incorrect or missing information. Contact borrowers, insurance companies, and insurance agents on our behalf to request proof of insurance documents and invoices. That ‘contact’ consists of, but it not limited to, emails, telephone calls, faxes, and letters. Track missing documents, including master condominium policies, and do the necessary research and outreach to collect them. Provide electronic options for borrowers, insurance companies, and insurance agents to submit documents that were requested during outreach. The paper invoices received by the respondent will be scanned and uploaded to a web-based platform accessible to MassHousing staff for review and downloading of documents. Obtain a forced placed insurance policy for lapsed or policies deemed insufficient.

Technology and Regulatory Requirements: The vendor systems must comply with the Real Estate Settlement Procedures Act (RESPA), the Dodd-Frank Wall Street Reform and Consumer Protection Act, and CFPB regulations. The insurance tracker should be able to directly integrate with the Sagent LoanServ System, our current servicing system, and update the hazard insurance information and process disbursements in the Sagent system.

IV. CONTENT OF PROPOSALS

This RFP is designed to elicit all information considered essential to evaluating each proposal. There is no intent to limit the content of the proposals. Respondents may include such additional information as may be appropriate, or offer alternate solutions, but should not exclude any information requested in this RFP. Respondents are also required to complete the RFP questionnaire which is Attachment A. Please complete all eight (8) tabs of the spreadsheet.

In support of MassHousing’s longstanding commitment to confront the housing challenges facing the Commonwealth to improve the lives of its people, MassHousing will prioritize
organizations who align with the Agency’s values and its commitment to diversity, equity, and inclusion.

All proposals should contain the following information:

A. Transmittal Letter/Respondent Description/Executive Summary

Proposals must be accompanied with a transmittal letter on company stationery or letterhead and signed by an individual legally authorized to bind the company. The transmittal letter should identify the individual(s) involved in preparing the proposal, as well as a single point of contact for the company. The transmittal should contain or be accompanied by a detailed description of the respondent (including background on the respondent’s financial stability) as well as a summary of the contents of the proposal.

MassHousing is an equal opportunity employer and seeks to provide procurement, contracting and employment opportunities for minority, women, veterans, LGBT, and persons with disabilities. We encourage responses from entities which describe strategies to actively promote and recruit diverse vendors, workers, and contractors. Responses that describe the benefits of direct, specific, and measurable access to employment and contracting opportunities created by the proposed project will be favorably reviewed.

B. Experience and Qualifications

Proposals should describe the relevant experience of the respondent and of the key personnel that will be providing the services. Relevant experience includes not only services similar to those being sought by MassHousing but also any past experience with entities similar to MassHousing.

C. Diversity, Equity & Inclusion Plan

Please provide the following information about your organization's commitment to the principles of diversity, equity and inclusion and related activities.

Organizational and Workforce Diversity

1. Describe your organization’s activities that reflect your commitment to diversity, equity and inclusion and the impact, if any, it has on your organization’s competitive position.
2. Describe the diversity makeup of your Board of Directors and executive leadership team. Please provide the breakdown by gender and ethnicity.
3. Please provide documentation if your company is certified as a diverse business (M/WBE, veteran-owned VBE, LGBT-owned, and/or disability-owned business).
Vendor/Consultant/Supplier Diversity

1. For all vendor/consultant/supplier goods and services purchased in the last three years, what is the dollar volume/percentage paid to M/WBE, veteran-owned VBE, LGBT-owned, and/or disability-owned businesses?

2. What are your proposed partnerships, spending goals and commitments regarding increasing purchases of goods and services from diverse businesses?

D. References

Please provide a list of at least three (3) companies that MassHousing can contact as references for which the respondent has provided similar services within the past three years, including:

1. Name, address, and phone number of each company.

2. General description of the engagement; and

3. Contact name and telephone number(s) of those who can talk knowledgeably about their experience with the respondent and any system issues that arose during the implementation of their project.

E. Project Plan

Provide a step-by-step project plan for performing and completing the solicited services as described in Section III Scope of Work. Your Project Plan should include:

1. Key personnel and their roles in providing the service.

2. Your general approach and methodology in providing the services. You may provide suggestions or alternatives to any approach described in Section III Scope of Work, as long you also respond to the described approach.

3. Details about project phases, including a list of deliverables, sign-off points, timelines, milestones, software components (if any), subcontractors, and training.

4. Expectations of MassHousing’s staff to assist with the process.

F. Support

Please describe whether there is typically an on-going relationship with respondent and its clients after implementation. Please describe the way respondent communicates with clients after implementation, whether through industry-related newsletters published by respondent, continuing educational workshops, etc.
G. **Adverse Actions**

Please include a description of any insurance claim, criminal investigation or material litigation against your respondent or members of your respondent in the last ten (10) years, any instances in which your respondent has been debarred by state or federal government and the circumstances for the debarment, as well as a summary of any formal complaints filed against your respondent or members of your respondent containing allegations of discrimination in the last ten (10) years.

H. **Conflicts of Interest**

Please describe any facts you are aware of that would result in a conflict of interest with MassHousing if a contract was awarded to your respondent.

I. **Pricing**

Please provide a detailed pricing structure for delivering the services (use a matrix or chart if necessary).

V. **METHOD OF SELECTION/AWARD**

A. **Contract Award**

Contract will be awarded to the respondent whose proposal is determined to be the most advantageous to MassHousing, in its sole discretion, taking into account price and other evaluation criteria as set forth in this RFP.

MassHousing reserves the right to negotiate the terms of the contract(s), including the contract amount(s), with the selected respondent prior to entering into a contract. The contents of the respondent’s proposal and this RFP, and any amendments thereto, shall become contractual obligations if an engagement of services ensues. Contract selections should be distinguished from a contract award. Contracts will not be considered awarded until negotiation of terms is final. Failure of a successful respondent to accept these obligations in contractual agreement may result in cancellation of a respondent’s selection. If contract negotiations cannot be concluded successfully with any selected respondent(s), MassHousing may, in its sole discretion, negotiate a contract with the next ranked respondent.

One or more contracts may be awarded as a result of proposals submitted in response to this RFP. MassHousing reserves the right to award contracts for individual deliverables if that is advantageous to MassHousing. By submitting a proposal pursuant to this RFP, the selected respondent agrees to enter into an agreement with MassHousing in substantially the same form as MassHousing’s Standard Services Agreement attached hereto as Attachment B.
B. Evaluation of Proposals

Proposals submitted in accordance with this RFP will be evaluated by a selection committee composed of MassHousing staff. All respondents will be notified of the outcome of the review of their proposal. Proposals will be evaluated pursuant to the following criteria:

- Responsiveness to requirements of RFP
- Financial and organizational stability of respondent
- Understanding of proposed scope of services and approach in addressing MassHousing’s specific needs and objectives
- Quality and timeliness of proposed work plan
- Technical capabilities (in terms of personnel, equipment, and materials) and management plan (including staffing of key positions, method of assigning work, and procedures for maintaining level of service
- Diversity, Equity & Inclusion plan
- Demonstrated experience and qualifications of respondent and respondent’s staff assigned to perform the solicited services
- Ability to provide a cost-effective solution to meet the needs of MassHousing; and
- Demonstrated successful past performance based on references.

VI. SCHEDULE AND INSTRUCTIONS

A. Number of Proposals and Due Dates

Email responses should be sent to HOInsTrackingRFP@masshousing.com by 5:00 pm Eastern Time on December 15, 2023. Proposals received after the response deadline will be considered at MassHousing’s discretion.

B. Summary Project Timetable

Following initial review of the proposals, MassHousing will identify those Respondents it elects to interview. Interviews will be scheduled within the two (2) weeks after the response deadline and MassHousing will attempt to provide respondent’s with at least one week’s notice before scheduling an interview.
The anticipated timetable for the evaluation process and subsequent project activities are summarized below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.15.23</td>
<td>Distribute RFP</td>
</tr>
<tr>
<td>11.15.23</td>
<td>RFP Response Period Begins</td>
</tr>
<tr>
<td>12.15.23</td>
<td>RFP Response Deadline</td>
</tr>
<tr>
<td>12.22.23</td>
<td>RFP Evaluation and Selection of Candidates for Further Review</td>
</tr>
<tr>
<td>01.31.24</td>
<td>Complete Follow-up and Reference Calls</td>
</tr>
<tr>
<td>02.16.24</td>
<td>Final Selection</td>
</tr>
</tbody>
</table>

This anticipated timetable is for reference purposes only and is subject to change at MassHousing’s sole discretion. After the RFP Response Deadline, changes may be sent directly to Respondents at the contact information provided.

C. Single Point of Contact

All questions regarding this RFP should be directed to:

Email: HOInsTrackingRFP@masshousing.com

Answers to all questions received will be posted on our website https://masshousing.com/en/about/rfp. The deadline for questions will be December 8, 2023. To maintain a fair and impartial competitive process, MassHousing will only answer questions or comments regarding the RFP that are submitted in accordance with the terms of this section. MassHousing will determine, in its sole discretion, whether any inquiry requires a formal response which, if required, may take the form of an addendum to this RFP. Respondents who initiate private communications with other MassHousing personnel regarding material issues involving this RFP may be disqualified.

D. Bidder’s Conference

No formal bidder’s conference will be scheduled.
VII. ADDITIONAL PROVISIONS

A. Confidentiality

By accepting to respond to this RFP, respondent expressly acknowledges that MassHousing’s business procedures, ideas, inventions, plans, financial data, contents of this RFP, and other MassHousing information are the sole and exclusive property of MassHousing. The Respondent also agrees that it will safeguard such information to the same extent it safeguards its own confidential material or data relating to its own business information that is of a confidential or proprietary nature. Federal and state laws require that MassHousing maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing. This information includes the following: (1) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and implementing regulations (16 C.F.R. Part 314); consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 et. seq.); and any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws. If MassHousing grants respondent access to its networks or otherwise allows respondent to view personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing, respondent shall comply with all federal and state laws protecting such information while working at MassHousing’s facility, while using MassHousing’s protected information, and while connected to MassHousing’s network. It is MassHousing’s policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks. In submitting its proposal, respondent acknowledges that it will be required to submit to such background checks of its impacted employees at MassHousing’s request. If awarded the contract, respondent shall comply with MassHousing’s information security program by (1) implementing and maintaining measures designed to meet the information security objectives of federal and state laws; (2) using and disclosing customer information solely for the purposes of performing the contract; and (3) providing MassHousing with copies of the results of any internal and external audits or tests of the effectiveness of MassHousing’s information security measures.

B. Non-Discrimination

In connection with the performance of work under this contract, the respondent agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, marital status, familial status, sexual orientation, gender identity or expression, pregnancy, genetic information, veteran status, alienage or citizenship status, ancestry, national origin, or any other characteristic protected by applicable federal, state, or local laws. This provision shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The respondent further agrees to take affirmative action to ensure equal employment opportunities for those applicants of protected groups referred to above. The respondent agrees to post in conspicuous places, available
for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.

C. Rights of MassHousing

MassHousing is soliciting competitive proposals pursuant to a determination that such a process best serves the interests of MassHousing and not because of any legal requirement to do so. MassHousing accordingly reserves the right to accept any proposal; to withdraw or cancel this RFP; to modify or amend, with the consent of the proponent, any proposal prior to acceptance; to reject any or all proposals or waive any informality and otherwise to affect any agreement that MassHousing in its sole judgment, deems to be in its best interest.

D. Use of Respondent Proposal

All material submitted becomes the property of MassHousing and will not be returned. If the respondent intends to submit confidential or proprietary information as part of the proposal, any limits on the use or distribution of that material should be clearly delineated in writing. Respondent should be aware that MassHousing is a quasi-public governmental agency subject to Massachusetts General Laws, Chapter 66, sections 1-18, therefore, any information submitted to MassHousing (even if marked as confidential or proprietary) may be subject to disclosure under the Massachusetts Public Records Law.

MassHousing reserves the unrestricted right to copy and disseminate the respondent materials for internal review.

E. Respondent Proposal Costs

All respondent proposal related costs, including but not limited to, proposal preparation and presentation, system demonstrations, documentation, site visits, in-depth briefing for MassHousing, and negotiation meetings are entirely the responsibility of the respondent and shall not be chargeable in any manner to MassHousing. MassHousing will bear the costs of sending its own staff to respondent headquarters and respondent client sites if such meetings are required.