

**National Mortgage Settlement Funds
Request for Proposals – Addendum 2
Responses to Bidders’ Questions**

Addendum 2 – Responses to Bidders’ Questions

Introduction

This addendum provides answers to questions submitted by potential bidders as of January 3, 2013. Explanations contained in this document are considered part of the RFP for purposes of determining whether an organization is eligible for a grant or satisfies a particular criterion discussed herein. Applicants are advised to review the information below before submitting an application.

Bidders’ Questions

1. What information do you want in budget form D in the RFP? For example, in the “Sub-recipient budget” column, should sub-recipients show total project expenditures, or only how they would allocate CAG funds?

On budget form D, under “Project Budget,” include the total project budget for the lead organization, including all projected funding from the AG’s office and any other funding under the grantee’s direction and control (sub-recipient allocations should be itemized under “Other”); under “Grant Request,” include the amount requested to be covered by grant funds, including grant funds distributed to sub-recipients; and, under “Sub-recipient Budget,” include the portion of the grant funds being allocated to sub-recipients. There should be a separate budget offered for each sub-recipient on the additional form provided.

For example:

Lead agency provides statewide mortgage counseling, and seeks to add a statewide hotline component with AG funds, with a sub-recipient to provide those services in Spanish. The existing project is \$1 million, including \$100,000 that it currently sub-grants for counseling to tenants. Lead agency now seeks \$250,000 from the AG grant to create the hotline, including \$50,000 for the sub-grant for services in Spanish. The sub-recipient already has a \$500,000 program to provide mortgage counseling intervention to Spanish-speaking communities and the \$50,000 sub-grant will supplement that project.

Form D will be completed as follows:

Itemize under “Project Budget:” \$1 million (lead agency’s existing project, including the \$100,000 it sub-grants to another agency), plus \$250,000 (lead agency’s grant request including the \$50,000 for sub-recipient). The \$50,000 sub-grant should be explained on the line item under “Other.” Only the project funds within the control of the lead agency should be included. Therefore, the sub-recipient’s \$500,000 existing project should not be included.

Under “Grant Request:” \$250,000 (lead agency’s grant request to the AG, including sub-recipient funding). The \$50,000 sub-grant should be explained on the line item under “Other.”

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Under “Sub-recipient Budget:” \$50,000 broken down by line item. Use the Additional Sub-Recipient Budget Form to provide a full line item breakdown of the proposed use by each proposed sub-recipient of AG grant funding.

2. Should Form D-II Financial History & Projections only be completed by the lead agency or by all of the sub-recipients?

Form D-II should only include information about the lead organization’s financial history and projected budget.

3. Form C requires the applicant to “attach an audited financial statement for the most recent complete fiscal year.” As a small nonprofit, we do not have audited financial statements. Can we submit a board-approved financial statement, or is an audited statement required?

A small nonprofit may submit a board approved financial statement in lieu of an audited financial statement. However, the lack of audited financial statement will be considered in evaluating the project’s organizational capacity. Alternatively, that organization may apply as a sub-recipient of a larger grantee.

4. Clarification: Can an agency apply as a lead organization in one CAG application and a sub-recipient in another CAG application?

No. As stated in question nine of the first addendum, “an organization applying as the lead CAG applicant may not participate in more than one CAG application.” This restriction also applies to lead applicants participating as a sub-recipient in another CAG application.

5. What percentage of the consumer assistance work must focus on housing counseling in relation to the other elements (legal services, housing-plus work)?

Because the RFP covers a range of possible projects, it does not specify the precise proportion of services a project must dedicate to certain elements. We seek innovative proposals from applicants as to how they propose to combine housing counseling, legal services, and housing plus activities.

6. We are contemplating relocation assistance for veterans as one of the activities performed under the CAG. The proposal would include rental assistance paid directly to the landlord/property owner and at no time will payments be made directly to veterans. Is this relocation activity allowed by the CAG or is it similar to the IDA model discussed in question 41 of the Addendum, and, therefore, precluded by the grant program?

The CAG is not intended to provide financial assistance to consumers. The grant money may fund the services provided to consumers to find ways to better manage their financial situation, but may not be used to supplement a consumer’s income either directly or indirectly. An agency may partner with an organization that provides separate funding for financial assistance to consumers or use funds from another source to provide financial assistance to clients, but CAG funds may not be directed to provide such financial assistance.

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7. Can an organization apply for the CAG or HBOR grant if its application for 501(c)(3) status is pending at the time the RFP is due?

No. An organization must be approved for 501(c)(3) status at the time its application is submitted.