



# **HAP Participation & Certification Notice**

(2019 RFQ revision)

## **General HAP Participation and Certification Information**

The Miami-Dade Economic Advocacy Trust, or MDEAT HAP (hereinafter aka HAP) has issued new HAP participation and certification guidelines and procedures via a Request for Qualification (hereinafter RFQ) process. This procedural update is in conjunction with the issued RFQ. This will immediately affect HAP mortgage originations and participation by MLOs and their corresponding lenders as well as closing agents (title companies and attorneys). Inclusion, and/ or modification for other participating mortgage and real estate industry professionals (e.g., Housing Counseling Agencies – hereinafter HCAs and real estate agents and brokers) may be added or included in the future.

For purposes in this notice and as referenced in other HAP forms and documents, “HAP Participant” means a person or entity approved by MDEAT HAP to submit requests for HAP funds; receive HAP funds; and/or complete required processes or procedures on behalf of a first-time homebuyer seeking, requesting qualification, or wanting to make application to receive HAP funds in accordance with HAP guidelines, procedures and processes. “HAP Participation” refers to actions and activities conducted or completed by “HAP Participants”.

HAP Participation for MLOs (Mortgage Loan Originators) will continue to be done on an individual basis, i.e., HAP will still NOT offer lender companywide certifications. MLOs participating in HAP (hereinafter HAP MLOs) are totally and completely responsible for ensuring that MDEAT HAP is an approved DAP/DPA (Down-Payment Assistance Program) with the mortgage lender they work for (i.e., are employed by) or utilize via wholesale lending channels as applicable. HAP MLOs are also completely responsible for maintaining this DAP approval as long as they are a HAP participant.

HAP Participation for closing agents (title companies and attorneys) are approved as a company, HOWEVER, HAP approved closing agents (hereinafter HAP closing agent(s)) are still required to maintain a HAP certified employee on staff. Should the HAP certified employee severe their employment with the HAP closing agent, that HAP closing agent will be immediately suspended until such time when compliance with participation guidelines are verified and validated by designated HAP staff.

The RFQ will be used to pre-screen a limited number of qualified HAP participants as HAP certified and approved MLOs and closing agents. Only those selected via the RFQ

process will be invited to upcoming and future HAP Certification Workshops and subsequently become eligible for HAP participation as a *HAP Participant* (see HAP Participant Designation).

Selected HAP Participants will be permitted to designate production and operational staff, or “key employees” to also attend their required HAP Certification Workshop to receive the benefit of that first-hand knowledge and information.

It is the complete and sole responsibility of HAP Participants to request, review, maintain and adhere to **all** HAP guidelines, procedures and provisions. At no time and in no way is MDEAT or HAP ever responsible for providing, notifying or advising of any changes in HAP guidelines, procedures and provisions. HAP guidelines and procedures are subject to change without prior notice of changes made.

As such, regular or periodic checks should be made by HAP Participants. Applicable updates or changes are typically made in conjunction with HAP file assignment emails, so adherence to HAP production requirements or other production related notifications will provide some measure of continuity. HOWEVER, this should not be the sole means of assuring receipt of current documents and procedures, as “not being aware of” will NOT negate possible sanction or other remedial action by HAP.

Please remember that income limits (for HAP and Miami-Dade County outside of Bond programs) change on an annual basis when designated by HUD (U.S. Dept. of Housing and Urban Development) and the Florida Housing Finance Corp. (FHFC). See the HAP income limits fact sheet named as the MDEAT HAP “*Maximum Income Limits \* and Maximum Allowable Financing*”.

### **HAP Participant Designation**

To become a HAP Participant and thereby listed on the HAP Approved MLO/ Lender List or HAP Approved Closing Agent List, the MLO and closing agent MUST be both HAP certified and approved. The corresponding definitions for “certified” and “approved” are as follows:

“Certified” means participant is in good standing and has met all requirements to participate in MDEAT Homeowner Assistance Program (HAP).

“Approved” means that a certified participant has completed the applicable production requirements necessary to be included on a HAP Approved participant list as outlined in the HAP Participation and Certification Notice. In that regard it IS possible to be certified but not approved. Contrary, it is NOT possible to be approved without first being certified.

MDEAT, at its sole discretion, may designate key non-production lender or closing agent personnel that have demonstrated an invaluable contribution to HAP and/ or MDEAT in accomplishing its mission and goals.

## Duration of HAP Certification and Approvals

- i The initial approval will last for (3) years. Successful completion of HAP semi-annual reviews noted in item “iv” will give MDEAT HAP the discretion to waive “re-applying” for added 3 years. Otherwise, either during item “iv” reviews or at end of 3 years, all participants would have to reapply via RFQ in 3 years.
- ii MDEAT HAP will conduct HAP RFQs no sooner than once every 12 months and no longer than once every 3 years from completion of latest HAP RFQ. No more than fifty ( $\leq 50$ ) MLOs and fifty ( $\leq 50$ ) closing agents will be selected for HAP participation.
- iii All HAP files are subject to review for compliance and completeness for both the MLO/ lender HAP file submissions, encompassing file intake review through closing, and for HAP closing agents encompassing completion of HAP funding, closing and post-closing processes.
- iv There will be quality control and compliance reviews of all selected HAP Participants every six (6) months. Any participant that is deemed deficient in overall performance may be sanctioned, suspended and/ or terminated.
- v HAP participant “sanctions” for non-compliance are in accordance with stated/ written MDEAT HAP Sanctions Policy. Any participant that is deemed deficient in accordance with this stated and written policy may be sanctioned, fined, suspended or terminated as policy and procedures dictate. .
- vi Any vacancies or available HAP participation “slots” (see item “ii”) will be assessed and may be made available to be filled on an annual basis. In this regard, an alternate or “waiting” list may be established by MDEAT HAP to maintain “available slots” at the maximum permitted level (see item “ii”). Determinations are to be made solely by MDEAT or MDEAT HAP staff per items “ii”, “iii” and “iv” in this section.
- vii All determinations are completely and solely at the discretion and determination of MDEAT HAP.

**Please be advised that by solely attending a MDEAT HAP Certification Workshop, it does NOT, and will NOT constitute HAP certification nor approval, nor does it permit HAP file submission or closing a loan utilizing HAP funds.**

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## MDEAT HAP Certification

**To receive HAP Certification, the following conditions must be met by individual, properly licensed MLOs or properly registered and licensed closing agents (title companies and title attorneys):**

- A. Successfully complete the 2019 HAP RFQ process

- a) The RFQ includes two (2) distinct portions: an application for the MLO/ Lender side of MDEAT HAP and an application for the Closing Agents side of MDEAT HAP. For purposes of this RFQ in its initial format and set up, respondents may apply for one or the other BUT NOT BOTH (even if you are licensed or have ownership in both lines of business).
- b) All those interested in participating in the MDEAT HAP must complete the MLO or Closing Agent Application submission section of the HAP RFQ. Incomplete or non-responsive submissions will be rejected and not scored for participation in MDEAT HAP.
- c) You must refer to and obtain RFQ application submission requirements from the 2019 MDEAT HAP RFQ. This document will be posted on the MDEAT website <http://www.miamidade.gov/economicadvocacytrust> along with pertinent information and attachments.
- d) You must submit an appropriate RFQ application on or before the deadline posted in the HAP RFQ. There will be “informational workshops” held prior to the stipulated deadline. Attendance at an informational workshop is strongly recommended, but it is strictly optional. Please also review the “Conditions” section included in the HAP RFQ.

**B. Be selected through the RFQ review and selection process**

- a) See HAP RFQ for full details.

**b) Evaluation Panel**

Evaluation of the RFQ submittals will be made by the MDEAT HAP. MDEAT HAP staff will convene an evaluation panel with responsibility for reviewing, analyzing and evaluating the RFQ submittals received. The evaluation panel may also assign tasks to MDEAT to assist in the evaluation process. The evaluation panel will establish a list of successful MLOs and closing agents to be approved to participate in the MDEAT HAP.

**NOTE:**

While MDEAT HAP certifies and approves individual MLOs (i.e., does NOT do companywide approvals), it is also necessary that the company/ lender that the MLO works for or with also review and approve MDEAT HAP as one of their (company/ lender) approved DPA programs.

For closing agents, to the extent that they are a part of a corporate set-up (i.e., a branch office within a multi-branch parent company) versus an independent standalone entity, their “corporate office” or parent company must have and be aware of HAP funding, closing and post-closing procedures and requirements.

See the HAP Participation and Certification Notice for additional details.

### **c) Evaluation Criteria**

By use of numerical and narrative scoring techniques, RFQ submittals will be evaluated by the evaluation panel against the factors specified below.

1. **Marketing and Outreach strategy**
  2. **Level of experience with DPA programs**
  3. **History of community reinvestment and/or affirmative marketing activities**
  4. **History of community involvement and education activities**
  5. **General fee schedule and any special incentives for LMI (Low-to-Moderate Income) and first-time homebuyers (closing agents)**
  6. **Special rates, programs, incentives and/or terms for first-time homebuyers or qualified affordable housing applicants (MLOs)**
  7. **Types of mortgage programs and products MLO is qualified to originate and have funded**
  8. **Documented claims or complaints against applicant OR compliments or endorsements of applicant**
- d) In selecting the most qualified MLOs and closing agents, the MDEAT HAP may require the finalist to make an oral presentation to the Evaluation Panel to further explain their submittals. If such interviews are conducted, MDEAT HAP ratings of the presentations will also be factored into the final scores assigned to the respective MLO or closing agent. However, MLOs and closing agents are advised that selection may be made without interviews or further discussion. Ultimately, MLOs and closing agents who are deemed to provide the best combination of strengths, service and experience to MDEAT, MDEAT HAP and its prospective, qualified MDEAT HAP 1<sup>st</sup>-time homebuyers will be selected for participation in the MDEAT HAP.
- C. Attend a MDEAT HAP Certification and DPA Training Workshop and complete all required processes and requirements associated with designated workshop. There will be separate workshops for MLOs/ lenders and closing agents.

### **Additional HAP Participant Requirements**

- ❖ Upon selection for HAP participation via the HAP RFQ process, notification will be sent regarding selection and required attendance at a scheduled HAP Certification and Participation Workshop. Only those MLOs and closing agents selected will be eligible and permitted to attend the scheduled HAP Certification Workshops (see RFQ for additional details).

- ❖ Additional designated staff may also attend as stipulated in the “General Information” section of this notice. Additional staff attendance is suggested but is NOT mandatory. MDEAT, at its desire and discretion may host or collaborate in conducting DAP/ DPA and HAP informational workshops for the general public, mortgage and real estate industry professionals. Any such workshops WILL NOT involve nor constitute any type of HAP approval nor HAP certification nor HAP participation.
- ❖ **Participation Agreement:** All designated HAP Participants must submit the applicable fully executed and signed **HAP Participation Agreement** (hereinafter “Agreement(s)”) with proof of proper licensing approval (NMLS individual and lender for MLOs – DFS or Florida Bar for title companies and attorneys) prior to being deemed eligible to submit a HAP file or close a loan utilizing HAP funds as applicable.. Once the fully and properly completed agreement is reviewed and approved the HAP, the participant will receive a **HAP Participant Approval** notice and/or certificate.
- ❖ **Marketing/Outreach:** All HAP Participants must have a “Fair Marketing and Outreach Plan” (hereinafter “Outreach Plan”) outlining strategies and practices designed to reach all HAP market segments. This requirement is also stipulated in applicable *HAP Participation Agreements*. This Outreach Plan is a part of the HAP RFQ process and will be maintained on file with MDEAT HAP. This Outreach Plan may be updated by a HAP Participant at any time. Adherence to items outlined in these Outreach Plans will be a part of the HAP conducted semi-annual reviews. NOTE: Semi-annuals reviews will be conducted by HAP staff OR parties formed and designated by MDEAT.
- ❖ **Certification and HAP Approval Transfer:** Once HAP issues a HAP Participant Approval, participant approval is transferable within the same business type without the need for recertification or re-approval as long as this HAP Participant is fully compliant with HAP requirements and quality control reviews. As such, in order to continue, AND prior to their next HAP file submission or HAP closing agent designation after this employment change has occurred, a new **HAP Participation Agreement** is required to be executed, submitted and approved by HAP. HAP file submission or closing after an employment change and before update of HAP participation is completed will result in HAP file rejection and sanction to the HAP Participant in accordance with HAP guidelines and procedures.

NOTE: HAP certifications and approvals are issued to individuals, not to companies. HAP certification and approval pertains to a certain designated person, and may NOT be transferred nor utilized by, nor extended to ANYONE other than the HAP Approved Participant. ANY action, utilization or HAP activity outside of and not pertaining to the specifically identified HAP Participant will result in

immediate suspension and/ or termination from HAP participation. Only HAP Administration may stipulate any provisions in exception to this guideline.

➤ **A \$50.00 Administrative Fee will apply for updating HAP participation.**

- ❖ **New Business - Business Changes:** For a change in employment, see *HAP Approval Transfer* above. For a change in company name, becoming licensed or certified and/or formation of a new business, the Approved HAP Participant must submit a new HAP Participation Agreement, the new license (as applicable), and new certification document(s).

➤ **A \$50.00 Administrative Fee will apply for updating HAP participation.**

- ❖ **Maintain Current Contact Information:** HAP Participants are completely and totally responsible for and obligated to maintain his/her current, accurate contact information. Failure to maintain current business and contact information may result in program suspension and participation until issue is remedied.

➤ **Non-compliance results in a \$25.00 Administrative reinstatement fine.**

#### **HAP Participation Violations**

- ❖ **Violation:** HAP Participants may not receive compensation under more than one business category on any single transaction and may NOT be an involved party (i.e., buyer – seller – realtor – closing agent employee or owner) as a HAP Participant in a HAP funded transaction. **There are no exceptions.** Violations constitute a breach of HAP Participation and provisions in HAP Participation Agreements, and will result in immediate expulsion from further HAP participation.
- ❖ **Violation:** Violation of any provisions, processes and/or procedures included in the HAP Procedures Manual, HAP Procedures Manual Addendums, HAP Participation Agreements and/or HAP Information Sheets may result in HAP Participant sanction, fine, temporary suspension or permanent expulsion from participation in HAP as an approved participating partner.

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#### **HAP CLOSING AGENTS: Must also adhere to the following additional HAP Participation Requirements:**

- HAP Approved closing agents MUST maintain a HAP certified person on staff in order to maintain their HAP approval status and thereby be able to close loans utilizing HAP funds. Remember, HAP does NOT recognize companywide certifications. **See the general information section for details in this regard.**

- HAP closing agents MUST complete and submit an original, actual “wet” signed, (by HAP Closing Agent AND their financial institution) current Miami-Dade County approved ACH direct deposit form and designated supporting documents as a permanent means to receive HAP funds. **Under no circumstances will a HAP closing agent (i.e., title company or title attorney) be approved or maintained without agreeing to and completing this requirement.**
- Closing agent MUST have a sunbiz.org listing as an entity with a current updated record and valid tax ID number.
- It is forbidden to close a loan in advance of closing agent receipt of HAP funds unless a proper, written request for exception from both closing agent and MLO/lender is made per HAP guidelines AND that request is acknowledged in writing by authorized HAP Loan Manager, Underwriter, or HAP Administration Staff. **Violation of this provision will result in the immediate suspension of both the HAP closing agent and HAP file submitting MLO.**
- Exception Granted: If the exception is granted then said lender and closing agent do so completely and totally at their desire, discretion and absolute responsibility (*Please note that MDEAT is not responsible for the closing agent/lender executing the exception*). This WILL require a verbiage update to match current written policy.
- Closing agents must successfully close a HAP loan without sanction or significant closing or post-closing errors AT LEAST once every six (6) months to maintain their HAP approval.

**HAP MLO and their corresponding lender as applicable must also adhere to the following additional HAP Participation Requirements:**

- **Active HAP Participant:** MLOs must submit a complete and compliant file, AND successfully close a loan utilizing HAP funds a minimum of once every three (3) months to maintain their HAP approval.
- Only HAP Approved MLOs are permitted to market, offer and/or advise a prospective borrower that they have permission to access and submit files to MDEAT for receipt of HAP funds, and/or pre-qualify or pre-approve clients and/or prospective borrowers with regards to accessing or utilizing.  
  
**Action by a HAP Approved MLO or knowledge of any other (non-HAP approved) MLOs or lender violating this provision constitutes “misrepresentation” and will result in suspension or expulsion from HAP participation.**
- Only HAP Approved MLOs are permitted to submit files on behalf of their clients/prospective borrowers.



- HAP Approved MLOs are no longer permitted to sign for or make any HAP file submission originated by a non-HAP certified MLO (see HAP Sanction Policy for details).
- HAP MLO file submissions MUST show a balance between borrowers with household income below 80% AMI as well as borrowers above 80% AMI.

NOTE: HAO MLOs not accomplishing this target may be restricted from submitting HAP files until a balance is achieved. MDEAT HAP may temporarily suspend MLO from making HAP file submissions at any point in time in order to achieve this balance and/or until a suitable balance is achieved and can be maintained. (NOTE: “Suitable” is determined by MDEAT HAP).

**A list” of HAP Approved Participants will be maintained on the MDEAT website with semi-annual or periodic updates to these lists.**

**Visit: [www.MiamiDade.gov/EconomicAdvocacyTrust](http://www.MiamiDade.gov/EconomicAdvocacyTrust)**

**\*\*\* Any and all HAP Participation Administrative Fees as well as the Sanction Fines, and/ or the Administrative Reinstatement Fine SHALL BE ISSUED BY A CHECK OR MONEY ORDER PAYABLE TO:**

**\*\*\* Foundation for Youth and Economic Development (FYED).**

**Please send all fees and payments to the following:**

**Miami-Dade Economic Advocacy Trust  
Attn: HAP Administration/Reinstatement  
111 NW 1 Street, Suite 2032 (20<sup>th</sup> Floor)  
Miami, FL 33128**