



Seattle
Office of Housing

Request for Proposals

Program Administration: Foreclosure Prevention Loan Program

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Responses Due: May 12, 2025 by **5:00 p.m.**

I. Background

The Office of Housing (OH) makes investments, develops and implements policy, and delivers programs that build equitable communities, advances community wellness, and increases opportunities for all people in Seattle – especially those furthest from housing security and justice – to have a safe, healthy, and affordable home.

Programs like the Foreclosure Prevention Loan Program (FPP) and home repair grant assistance have been instrumental in supporting existing low-income homeowners, as we saw through their inclusion in the policies of the 2016 and 2023 Seattle Housing Levies. We are releasing this Request for Proposals (RFP) to select an administrator for the Foreclosure Prevention Loan Program in accordance with the [Levy's Administrative plans](#) and our [Housing Funding Policies](#).

II. Eligible Applicants

OH is seeking proposals from qualified organizations to administer the City's Levy-funded Foreclosure Prevention Loan Program (FPP).

Threshold qualification criteria include:

1. A minimum of four (4) years of loan origination and servicing experience; and
2. A minimum of four (4) years of experience providing housing counseling services or a well-established referral relationship with Seattle area housing counseling agencies.

We seek to contract with an organization that has deep experience providing residential lending services, underwriting loans to distressed homeowners, working successfully with Seattle housing counseling agencies, providing exemplary service to the community, and detailed tracking and reporting. The successful applicant will demonstrate experience and capacity in the following areas:

- Reaching underserved populations.
- Excellent record keeping and reporting.
- Strong customer service, including working with diverse customers.
- Strong portfolio management.
- Deep knowledge and application of fair lending laws and regulations.

The selected administrator will be responsible for compliance with all applicable laws, regulations, codes, contracts, and funding requirements.

III. Funding Available

The total amount of funding available currently through this RFP is \$300,000. The contract will be for an initial 24-month period and may be extended at the discretion of OH. The Program period will begin the day that the contract with the administrator is executed. The funding amount can be reduced or increased, by contract amendment, at OH's discretion.

Unspent funds and Repaid Foreclosure Program loans may be returned to OH or revolve to fund future foreclosure prevention loans at OH's discretion.

IV. Program Description and Objectives

The FPP allows the provision of loans of up to \$30,000 to help a low-income homeowner avoid foreclosure. Loan funds can be used to cover housing-related costs that are necessary to avert foreclosure and may include costs required to obtain a mortgage modification, delinquent mortgage payments, overdue property taxes, delinquent homeowner association dues, and interest and fees associated with late payments on the above.

The FPP provides one-time, limited intervention to prevent foreclosures. This assistance intends to:

- Enable low-income homeowners to remain in their homes and communities.
- Prevent displacement of low-income homeowners from Seattle, which disproportionately impacts homeowners of color.
- Create effective partnerships with housing counselors, City departments, King County, non-profit organizations, and other community groups to identify at-risk homeowners early in the foreclosure process and deliver information on available resources in a way that resonates with the homeowner and motivates the homeowner to take advantage of such resources.

V. Administrator Role

The selected administrator shall be responsible for all activities associated with implementing the FPP, including:

- A. **Marketing:** The successful applicant will, in partnership with OH, market the program to agency partners and potential clients. In addition, OH will share responsibility for pursuing effective outreach partnerships with other City departments, King County Treasury Services, and the King County Assessor's Office to reach and serve eligible, distressed homeowners.
- B. **Underwriting:** The administrator shall be responsible for underwriting all foreclosure prevention loan applications per the policies described below.
 - a. **Homeowner Eligibility:** Homeowners with household incomes at or below 80% of Area Median Income (AMI) who own and occupy their homes within the City of Seattle may be eligible for assistance. Homeowners must have experienced an identifiable hardship, such as job loss or medical crisis, that has resulted in delinquent housing payments. Homeowners must be working with and referred by an OH-approved homeownership counseling agency, and must fully explore alternatives, including workout options, prior to or in conjunction with applying for the foreclosure prevention loan. Homeowners may receive a loan only if they have a demonstrated ability to afford housing payments after receiving assistance and becoming current. The homebuyer contribution must include all liquid assets, except that the homebuyer may retain \$15,000 or six months of housing payments, whichever is greater.
 - b. **Eligible Uses:** Funds can be used for housing-related costs that are necessary to prevent foreclosure. Such costs may include costs required to obtain a mortgage modification, delinquent mortgage payments, overdue property taxes, delinquent homeowner association dues, and interest and fees associated with late payments on the above.

- c. **Loan Terms:** Loan amounts will not exceed an amount that the borrower needs to avoid foreclosure. Additional underwriting criteria such as loan to value ratio which will be established by OH will apply. The maximum loan amount will be \$30,000. The minimum loan amount will be \$2,000. Borrowers must demonstrate the ability to afford their housing payments after receiving assistance based on a household budget and a ratio analysis conducted by the underwriter.
 - i. Interest rates can range between zero and three percent (0-3%). If the household budget can accommodate additional debt, loan will typically be amortized. Deferred loans may be an option.
 - ii. Owner-Occupancy requirements will be articulated in a program agreement with eligible borrowers.
- C. **Servicing:** The administrator shall be responsible for servicing all loans. All loan documents shall be between the administrator and the homeowner.
- D. **Record Keeping and Reporting:** The following data will be collected and reported quarterly to OH by the program administrator. Other data requests may be added depending on need. At the end of the program period, this data will be used to evaluate the program's impact and if there is a continued need for the program:
 - a. Number of households assisted.
 - b. Number of and demographic information for applicants failing to qualify for assistance, and why.
 - c. Case history: Referral source, point in the foreclosure process at which applicant accessed FPP, other remedies or interventions sought/accessed in addition to FPP.
 - d. Collect demographic data on each household receiving assistance (income level, age, household size, race).
 - e. Dollar level of assistance.
 - f. Loan to value ratios by household.
 - g. Structure of assistance (interest-bearing, amortized, term of loan, etc.).
 - h. Outcomes by borrower at six (6) months, 12 months, 18 months, 24 months.
 - i. Borrower repayments and fund balance (if applicable).
- E. **Monitoring:** The administrator shall be responsible for confirming loan recipients' compliance with all program requirements using a methodology and form satisfactory to OH and report to OH on an annual basis.

V. Program Term

The initial contract term will be for 24 months and will begin when the contract with the Administrator is fully executed. The term of the contract may be renewed and or extended at the discretion of OH.

VI. Proposal Evaluation Criteria

Proposals will be evaluated on the following criteria.

1. **Capacity:** The successful applicant will clearly demonstrate the organizational, staff, and financial capacity to administer all FPP activities and responsibilities described in this RFP.
2. **Experience:** The successful proposal will be submitted by an organization that clearly demonstrates the organizational and staff experience in the administration of loans to low-income households. This includes originating and underwriting loans for low-income borrowers, managing a loan portfolio, and either conducting homeownership counseling in-house and/or having strong working partnership with other housing counseling agencies. A successful applicant will show demonstrated success in reaching traditionally underserved populations, including people of diverse ethnic and cultural backgrounds and people with disabilities.
3. **Record Keeping and Reporting Systems:** The successful applicant will demonstrate excellent record keeping protocols and demonstrate the ability to respond in a timely manner to requests.
4. **Program Approach:** The successful proposal will include a thorough description of feasible workflow process, outreach partnerships, underwriting criteria, decision-making framework for establishing loan terms, and plan for ongoing borrower stewardship throughout the period of the loan. Proposed costs to administer, originate and service loans will be contemplated and weighed as part of the program approach.
5. **Additional Factors:** If the applicant is a prior awardee of OH funds, timely use of prior awarded funds will be a factor in considering an award of additional funds. An applicant shall also be in Good Standing as defined in the [2024-2026 Housing Funding Policies](#).

VII. Administrative Fee Structure

The program administrator may propose an administrative fee or a combination of fees (origination fee, servicing fee, flat administration fee). OH will negotiate a reasonable fee structure and payment schedule with the selected program administrator, which will be included in the contract for services.

Additionally, a counseling fee, paid for out of loan proceeds, may be paid to a third-party counseling agency subject to approval by OH.

VIII. Proposal Submissions

Proposals should contain the following components:

1. **Introduction:** Cover letter describing organizational interest and contact information. Please provide names and brief bios of senior management and board members.
2. **Program Approach:** Describe the proposed program approach. Please include a description of how you will partner with housing counseling and other agencies to reach distressed homeowners. Please describe your workflow process from borrower identification and application through origination and underwriting, including your approach to declining applicants. Please describe your approach to servicing and determining interest rates and amortization schedules for a range of borrowers. Please also include your proposed fee structure and preferred payment schedule.

3. **Organizational Experience and Capacity:** Please provide detail regarding the organization's lending, loan origination and/or loan servicing experience, including number and types of loans originated, size of current portfolio and loss rate. Provide a copy of the most recent 3 years of audited annual financial statements.
4. **Affirmative Marketing:** Describe your organizational experience with and capacity for affirmative marketing, customer service, fair lending. Describe how potential borrowers learn about or are referred to your current loan programs. Describe the three creative marketing strategies that will be employed to reach at-risk homeowners early in the foreclosure process.
5. **Record Keeping and Reporting Systems:** Please describe your record keeping and reporting system and process. Please also provide a sample of a real report that you generate.

IX. Submission Details

Proposals are due by **5:00 p.m. on May 12, 2025**. Email the proposal to amanda.sahali@seattle.gov, Homeownership Programs Specialist. The subject line of the email should read "[Applicant Name/Organization] FPP Proposal." **Any proposals received after the deadline will not be accepted.**

X. Review and Selection Process

The Office of Housing may follow up with some or all of the respondents to conduct interviews or seek additional information. The Office of Housing retains the right to negotiate with respondent(s) on the final program design and implementation plan. The Director of the Office of Housing will make final funding decisions.

OH intends to enter into contract negotiations with the selected administrator within eight (8) weeks of the proposal submission deadline.

XI. Disclaimers and Disclosures

This RFP is not a commitment or contract of any kind. The Office of Housing reserves the right to pursue any and all ideas generated by this request. Costs for developing proposals are entirely the responsibility of the respondent and shall not be reimbursed. The Office of Housing reserves the right to alter timelines, amend or retract the RFP, waive as informality any irregularities in submittals, and/or reject any and all submissions. The Office of Housing reserves the right to waive any requirements of this RFP when it determines that waiving a requirement is in the best interests of OH.

All proposals and related materials become the property of the City of Seattle upon delivery to OH.

Washington State law (RCW Ch. 42.17) provides that public records are subject to public inspection and copying unless specifically exempted and enumerates limited exemptions in a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of a proposal containing such designations by OH is not an agreement that such material is legally confidential, and OH cannot guarantee that such information will not be disclosed.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties.

RCW 35.81.095 provides in part: "A municipality shall not be required to select or enter into a contract with any proposer or to compensate the proposer for the cost of preparing a proposal or negotiating with the municipality."