Steps to Package with LIFT Community Action Agency, Inc

1. Submit all documentation as required by LIFT CAA, Inc. to include:
    - Contact Information Form (page 2)
    - LIFT Vendor Information Form (page 3)
    - Signed MOU (pages 4 - 7)
    - 501C3 (If Applicable)
    - Certificate of Good Standing OR Self Certification of Good Standing by Director
    - W9 for Qualified Employer
    - Resumes for all packagers that confirm experience and employment requirements are met
    - Proof of course completion to include certificate of completion as well as email confirming passing test score (If already completed)

2. Designated Certified Packagers must take the 3-day 502 Direct course and pass the test in order to become a Certified Packager.-*The course is offered through NeighborWorks America, Housing Assistance Council or RCAC. For class notifications please sign up for RD e-grams at* https://public.govdelivery.com/accounts/USDARD/subscriber/new?preferences=true

3. Qualified Employers and Certified Packagers must familiarize themselves with the USDA Rural Development Final Rule. Per the Final Rule, Qualified Employers will need to have a minimum of one year's affordable housing experience prior to having the ability to request exemption status from the use of an intermediary. *The Qualified Employer's and Certified Packager's year will commence once the Certified Packager has passed the test and signed the Qualified Employer MOA.*

For all submissions and questions, please contact LIFT by email at 502direct@liftca.org or by phone at 580-326-5165.

502 Certified Employers and Certified Packagers
Contact Information Form

Organization: _____

Address:

Street: _____

City: _____**ZIP:** _____**State**: _____

Contact Name: _____

E-mail: _____**Phone#:** _____

LIFT Community Action Agency, INC. 209
North 4th Street
Hugo, OK 74743
(580) 326-3351

LDCAA Vendor Information Form

Name of Business _____

DUNS # _____

Website _____

Owner/Director/Manager _____

Business Physical Address _____
(no PO Boxes)

City, State, Zip _____

Remit Payment to Name _____

Remittance Address _____
(may be a PO Box)

City, State, Zip _____

Telephone _____ Fax _____

Accounting Contact _____

Accounting contact email _____ Phone _____

Little Dixie's customer/account number *(for reference when contacting your business)* _____

Is your business a small business as defined under the Code of Federal _____ Yes _____ No
Regulations? Is owner/director related to any LIFT CAA, Inc. employees? _____ Yes _____ No
(*Will not be a deciding factor in services acquired. For agency reporting guidelines only)*

Out of state vendors

Do you have nexus in Oklahoma? _____ Yes _____ No *(For Oklahoma use tax reporting)*

Oklahoma Sales Tax # _____ (*Attach copy of certificate)*

This section for LIFT purposes only *(completed by staff prior to submitting to accounting)*

Information verified by _____ Date _____
(staff signature; other than who obtained information)

Spoke with _____ Date _____
(vendor representative)

Program director approval _____ Date _____
(staff signature)

Verified @ www.sam.gov _____ Date _____
(attach screen shot) *(staff signature)*

MEMORANDUM OF UNDERSTANDING
Qualified Employer

This Memorandum of Understanding is entered into on this day of _____, 20___ by and between_____, (hereinafter known as the Qualified Employer, hereinafter known also as the QE), existing under the laws of _____, having its principal place of business at _____and the Intermediary known as LIFT Community Action Agency, Inc.(LIFT), a nonprofit corporation organized and existing under the laws of the State of Oklahoma, having its principal place of business at 209 N 4th Street, Hugo, OK, 74743 (hereinafter known as "LIFT"); in the interest of clearly defining the roles and responsibilities of each organization in implementing the Single Family Housing Direct Loan Program-Loan Application Packaging Process being made available by USDA Rural Development hereinafter "Agency"

Intermediary, Qualified Employer, Certified Packager and Non-Certified Packager are defined as follows:

Intermediary- Non-Profit organization obtaining Agency approval to perform quality assurance reviews on packaged loan applications in addition to also providing supplemental training, technical assistance, and support to CP's and QE's.

Qualified Employer-A 501c3 non-profit organization, State Housing Finance Agency, or Tribal Housing Authority who employs certified packagers for submission of 502 Direct loans. The Qualified Employer must be signed up to work with an intermediary for a minimum of one year.

Certified Packager- An individual employed by a QE who has completed all Agency requirements to package and submit loan applications on behalf the QE.

The purpose of the MOU is to package Section 502 Direct loans for funding by the Agency. The Qualified Employer will comply with all provisions of the 7 CFR Part 3550 Final Rule as published in the Code of Federal Regulations and published on April 29, 2015 and any subsequent publications. The QE will employ a minimum of one Certified Packager (hereinafter known as CP) as defined by the Final Rule. The QE will provide LIFT with all necessary documents indicating compliance with the final rule. The QE will notify LIFT of any change in employment status of any CP within five (5) working days of termination of employment.

The CP will be responsible for identifying eligible loan applicants, assisting them in identifying eligible properties, completing the loan application in conformance with the USDA Approved Stacking Order, providing pre-occupancy counseling to each new homeowner, and completing the purchase process through the closing of the Sec. 502 loan. LIFT will review the completed loan packages and recommend approval action to Rural Development. LIFT will be tasked with meeting the

Rural Development imposed goal of 85% approval for all applications submitted. This goal also includes the requirement for minimal need for Agency requests of additional information at package submission. LIFT will hold the CP and the QE to the same standards before recommending the QE for independent status after a minimum of one (1) year and five (5) complete packages.

Therefore, the parties agree as follows:

Qualified Employer/Certified Packager Responsibilities:

1. Qualified Employer must have in their employment a Certified Packager who has completed the USDA 502 packaging course and passed the test with a minimum score of 70%. The QE will have a maximum of one year to complete the course and pass the test. If the QE does not employ a CP meeting these criteria within the established time frame, the organization will be placed on suspension until this requirement is met. The CPs and the QEs will be governed by a code of professional ethics that are reflected in the training curriculum and the certification process. This code of conduct will include a description of the liability associated with misrepresenting information related to Section 502 loan applications and other applicable fair housing and fair lending regulations.

2. Identify Sec. 502 eligible households and package loan applications on their behalf. Certified Packager will be required to perform a thorough analysis of applicants to aid the intermediary in ensuring that RD required 85% approval rating is maintained. The **certified packager** shall conduct a pre-qualification assessment of each potential applicant. The Intermediary is allowed the option to instruct the certified packager as to whether or not the assessment must be reviewed by intermediary QC staff prior to proceeding based upon submission history.

3. Create and maintain a goal that at least 30% of the households assisted meet the RD definition of Very-Low Income (50% median income for the county of residence.).

4. Collect necessary fees from the applicant(s) to support completion of the application for credit to include a $25 check or money order to USDA for a Tri-Merge Credit Report. The Intermediary will notify the Packager which USDA office the package has been submitted to once the package has successfully been received by USDA. The Packager will be required to ensure that the $25 credit check fee is delivered to the advised USDA office. The certified packager should be able to conduct a preliminary credit analysis free of charge to the applicant (or be included as part of the allowable packaging fee).

5. During the certified packager's initial discussion with a potential applicant, the certified packager shall inform the potential applicant (i) that the certified packager will charge a fee, including the maximum amount of such fee and the methods by which the fee may be paid, (ii) that the potential applicant has the option of applying for the loan directly with the Agency at no cost, and (iii) that the packager does not guarantee that the application will be approved or funded by the Agency. Written notification must also be provided (either in person or by mail). The written notification, which requires acknowledgement of receipt, must follow the Agency's required format as required in Handbook-1-3550.

a) Include a packaging fee of $1750 in the budget for the Sec. 502 loan.

6. Fully complete the current Agency packaging checklist to include all documentation required. **Clients must be instructed that a property must not be identified in an application until such time as the COE is issued.**

7. Provide all inspections as required by USDA, to include third party whole house inspection, termite inspection, and others as requested by USDA staff, on subject property once purchase agreement has been executed.

8. Correct deficiencies in the submission package and ensure all additional application requests made by LIFT are returned within 72 hours to LIFT. If repeat errors are made, each file will be individually reviewed to be paid out through the Modified Fee system (see attached).

9. Ensure that each family completes at least 8 hours of home ownership counseling prior to the closing of their loan by an Agency approved counseling program.

10. Work with families as necessary upon receipt of Certificate of Eligibility (COE) to ensure properties chosen by applicants are within USDA eligible criteria. **Clients must be instructed that a property must not be identified in an application until such time as the COE is issued.**

11. If it is determined that an applicant will not qualify for a loan, work with the applicant so the applicant will understand the deficiencies in their application and their rights to have the application submitted directly through the Agency.

12. Assist the applicant in loan closing as requested (i.e.: aid applicant in acquiring any items needed to finalize).

13. Provide LIFT with a copy of the signed Closing Disclosure 3 days prior to closing.

14. Provide all reportable information to LIFT as needed, including monthly updates on file status.

15. CP and QE will comply with all Federal Statutes relating to nondiscrimination.

(a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685- 1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

16. Qualified Employer must be able to provide an acceptable Affirmative Fair Marketing Housing Plan to LIFT staff to make available to USDA as requested.

17. All Packagers will be required to submit encrypted or password protected files, including a digital copy of Form RD 410-4, to LIFT for download. This reduces file touches for data entry and ensures the applicants information is captured based upon the Packagers review. If Packager fails to provide a digital copy of Form RD 410-4, a reduction in fee of $50 will be applied to the fee structure for the submitted package.

18. Understand that all packages are reviewed on a first come first served basis. Submission of a fully completed file will ensure that your clients are moved through the pipeline in an expedited fashion.

LIFT Responsibilities:

1. Review loan applications submitted by Qualified Employers within 3-5 business days.

2. Work with Qualified Employer to ensure packages are complete and approvable. If three (3) incomplete applications are submitted to LIFT within a 6-month time period, LIFT at its discretion may move the QE to a Modified Fee status where the QE fee will be reduced. The QE will remain in this status until QE submits a minimum of 3 complete and approvable packages consecutively.

If QE continues to send incomplete packages while on Modified Fee status, LIFT, at its discretion, may move the QE to a Non-Certified Packager status where the QE fee will be reduced. The QE will remain in this status until it submits a minimum of 3 complete and approvable packages consecutively.

*If a QE submits 3 or fewer files annually, LIFT reserves the right to downgrade Certified Packager status to modified or Non-Certified based upon complete file history. If three (3) or more total files are considered incomplete, packager will be downgraded until consecutive complete file submissions as required above are achieved.

3. LIFT will transmit complete applications to the appropriate Agency office for final action. Ensure that files submitted are deemed "approvable" by LIFT staff to maintain required 85% submission approval ratio.

4. LIFT will provide activity reports to the Agency as required.

5. LIFT will prepare and deliver to the Agency an invoice for $1750, collect the fee from closing, and distribute fees earned to QE, unless otherwise requested by QE that they themselves complete and provide an invoice which is approved by LIFT.

6. LIFT will work with the QE to ensure packages are complete and approvable. However, if at any time LIFT determines that QE is not upholding the standards set for them above, LIFT at its discretion may elect to no longer accept applications from said QE.

7. LIFT will provide support as needed to both Certified Packagers as well as Qualified Employers to maintain accountability and ensure quality standards are being met.

8. LIFT will utilize the required electronic submission system for loan packages as made available by the Agency.

Notifications

The QE or Packager shall immediately notify the Intermediary in writing if the QE or Packager:

a) Becomes insolvent;

b) Has filed for any type of bankruptcy protection, has been forced into involuntary bankruptcy, or has requested an assignment for the benefit of creditors;
c) Has taken any action to cease operations, or to discontinue serving in the capacity of an intermediary;
d) Has changed its name, location, address, tax identification number, or contact person;
e) Has become delinquent on any Federal debt, or has been debarred, suspended, or sanctioned in connection with its participation in any Federal program; or
f) Has been debarred, suspended, or sanctioned in accordance with any applicable state licensing or certification requirement or regulation.

Revocation

Designation as an approved QE/Certified Packager is subject to revocation by the intermediary if any violations are found under the terms of this MOU.

Either party may terminate this MOU upon 30 day written notice to the other party. In the event of termination, the intermediary shall continue to perform quality reviews on applications received before the date of termination. The Packager will continue to provide all required services as written in this MOU for applicants in their QE's pipeline before the date of termination. No new files will be accepted once a 30 day notice has been received by either party.

Initial Fee Structure

When a Packager begins submitting loan files to LIFT for review, the first three (3) files will require a fee split of $875 allotted to the Packager, and $875 allotted to LIFT. This allows LIFT the necessary capacity to review the quality of work a Packager will provide. After the review of the third file, LIFT will submit an addendum to the QE acknowledging the designation of their Packaging status. The addendum will also advise the Packager of the fee split. A Packager will either be deemed "Certified" or "Non-Certified" based upon performance. A Certified Packager will be immediately eligible to earn the maximum fee of $1,500. A Non-Certified Packager will serve in a minimum fee capacity until their borrower files meet the expectations set aside in this MOU and through the USDA Approved Checklist.

*LIFT reserves the right to expedite the designation to "Certified" based on package quality.

In order to be deemed "Certified" and earn the higher fee allocation, all responsibilities of QE as listed in this MOU must be maintained. If greater than 3 errors* are found in 3 or more QE submitted files in a 6-month window, LIFT will notify QE in writing of a modification in their fee earned.

**Errors may include, but are not limited to, expired documentation, missing documents, missing letters of explanation, incomplete income calculator, etc.

***If a QE submits 3 or fewer files annually, LIFT reserves the right to downgrade Certified packager status Non-Certified based upon complete file history. If three (3) or more total files are considered incomplete, packager will be downgraded until consecutive complete file submissions as required above are achieved.

IN WITNESS WHEREOF, LIFT Community Action Agency, Inc. and _____, have caused this Memorandum of Understanding to be executed in their respective names and by their duly authorized respective agents on the dates set forth below. The undersigned intermediary and Agency do hereby agree to the participation requirements and other provisions of this MOU.

QUALIFIED EMPLOYER: _____

BY:_____

TITLE: _____

DATE:_____

INTERMEDIARY: LIFT COMMUNITY ACTION AGENCY, INC.

BY:_____

TITLE: _____

DATE_____