

**REQUEST FOR ACTION
BY
BOARD OF COMMISSIONERS**

**Approval to Provide Mortgage Loan Sub-Servicing and Document Custodian Services to
Maine State Housing Authority**

1. Summary of Request

This Request for Action is (“RFA”) is for authorization for Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) to continue to provide mortgage loan sub-servicing and document custodian services with respect to Maine State Housing Authority’s (“Maine Housing’s”) residential loan portfolio (the “Portfolio”) for an additional three (3) year period (with a two (2) year renewal option). RIHousing believes that a continued sub-servicing arrangement with Maine Housing will provide a public benefit, serve to support housing for low- and moderate-income persons, and enhance RIHousing’s ability to fulfill its obligations to the residents of the State of Rhode Island.

2. Discussion

On August 18, 2016, RIHousing’s Board of Commissioners authorized RIHousing to provide mortgage loan sub-servicing and document custodian services to Maine Housing and to enter a Sub-Servicing Agreement. Pursuant to that authority, on January 1, 2017, RIHousing entered into a Sub-Servicing Agreement with Maine Housing and began sub-servicing the Portfolio. The Portfolio consists of approximately 6,600 loans secured by liens on single and multi-family homes, condominium units, and mobile homes located throughout the State of Maine. RIHousing’s responsibilities under the Sub-Servicing Agreement include, among others:

- Collecting customers’ monthly mortgage payments and remitting those payments to Maine Housing;
- Providing customers with requisite state and federal notices and other documents, such as tax reports and payoff statements;
- Performing escrow administration functions and monitoring and maintaining insurance coverage on the properties that constitute the Portfolio’s collateral;
- Reporting loan-level data to credit reporting bureaus, responding to customer inquiries, and resolving reporting disputes; and
- Serving as Maine Housing’s document custodian.

The Sub-Servicing Agreement will expire on December 31, 2021, and Maine Housing has expressed a desire to continue the sub-servicing relationship with RIHousing.

RIHousing staff, including the Chief Financial Officer, Chief Operating Officer, Director of Finance, and Assistant Deputy Director of Loan Servicing, have evaluated and analyzed the existing sub-servicing arrangement with Maine Housing, including pricing under the existing

Sub-Servicing Agreement and relevant industry-standards, and have developed a proposal for the continuation of the sub-servicing relationship.

3. Recommendation

Staff recommends that the attached resolution authorizing RIHousing to provide mortgage loan sub-servicing and document custodian services to Maine Housing and enter into a Sub-Servicing Agreement with Maine Housing be approved.

4. Attachments

A. Resolution

Attachment A

**Resolution of the
Board of Commissioners of
Rhode Island Housing and Mortgage Finance Corporation**

Whereas, Pursuant to the Sub-Servicing Agreement entered into by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) and Maine State Housing Authority (“Maine Housing”) on January 1, 2017, RIHousing currently sub-services and provides document custodian services with respect to Maine Housing’s residential loan portfolio (the “Portfolio”); and

Whereas, The Sub-Servicing Agreement will terminate on December 31, 2021; and

Whereas, Maine Housing would like to continue to engage RIHousing to provide it with the aforementioned services; and

Whereas, RIHousing finds:

(1) that continuing to sub-service the Portfolio will provide a public benefit, serve to support housing for low- and moderate-income persons, and enhance RIHousing’s ability to fulfill its public obligations to the residents of the State of Rhode Island; and

(2) that RIHousing, in the legitimate exercise of its business judgment and public mission, has determined that continuing to sub-service the Portfolio will be synergetic with RIHousing’s capabilities, staffing, and resources; and

(3) that continuing to sub-service the Portfolio and entering a Sub-Servicing Agreement with Maine Housing is within its authority and consistent with the provisions of the Rhode Island Housing and Mortgage Finance Corporation Act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, That RIHousing be and hereby is authorized to provide mortgage loan sub-servicing and document custodian services to Maine Housing, and enter a Sub-Servicing Agreement with Maine Housing, structured generally in accordance with the description contained herein, with such changes as the Executive Director, Deputy Executive Director, Chief Financial Officer, and Chief Operating Officer may, each in his or her sole discretion, determine to be necessary or advisable.

Resolved, that the Executive Director, Deputy Executive Director, Chief Financial Officer, Chief Operating Officer, and the designee of any such person, each acting singly, be and hereby are authorized and directed to execute and deliver any agreements, documents, or other instruments necessary for RIHousing to effectuate the sub-subservicing of the Portfolio.

Resolved, that the Executive Director, Deputy Executive Director, Chief Financial Officer, Chief Operating Officer, and the designee of any such person, each acting singly, be and hereby are authorized and directed to perform any action he or she deems necessary and in the best interests of RIHousing to carry out the foregoing resolutions.

Resolved, that all actions previously taken by the Executive Director, Deputy Executive Director, Chief Financial Officer, Chief Operating Officer, and/or the designee of any such person regarding the sub-servicing of the Portfolio be and are hereby ratified.