



PROJECT REINVEST: FINANCIAL CAPABILITY

PROJECT REINVEST: FINANCIAL CAPABILITY FUNDING ANNOUNCEMENT

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I. Background

A. About NeighborWorks America

NeighborWorks America is a public nonprofit organization established by Congress in 1978 to expand opportunities for people to live in sustainable affordable homes, improve their lives and strengthen their communities.

To achieve this mission, NeighborWorks America partners with more than 245 local and regional affiliated nonprofit organizations working to revitalize thousands of urban, suburban and rural communities across the nation – in all 50 states, the District of Columbia and Puerto Rico. In addition, NeighborWorks America provides training for more than 12,000 professionals in the affordable housing and community development field every year.

B. Project Reinvest Overview & Goals

As a result of the United States Department of Justice (“Department of Justice”) settlement with Bank of America, NeighborWorks America received from the Monitor \$122.54 million for the purpose of “providing housing counseling, neighborhood stabilization, foreclosure prevention or similar programs.” NeighborWorks America is developing one-time, open and competitive grant opportunities through Project Reinvest to award funds to nonprofit organizations and other qualified entities inside and outside the NeighborWorks network. The funding opportunities include:

1. Project Reinvest: Homeownership to support down payment assistance lending to low- to moderate- income individuals;
2. Project Reinvest: Neighborhoods to promote stabilization and revitalization in areas impacted by foreclosure; and,
3. Project Reinvest: Financial Capability to assist individuals to stabilize their finances, rebuild credit and establish savings.

NeighborWorks America will allocate each of the funding opportunities through a competitive grant process with independent, third-party reviewers evaluating all applications. NeighborWorks America will make grant awards based on clear, objective criteria.

C. Overview of Project Reinvest: Financial Capability

Project Reinvest: Financial Capability, one of the three funding opportunities, will provide grant funding to eligible Financial Capability Intermediaries (FC Intermediaries), HUD-Approved Housing Counseling Intermediaries (HC Intermediaries), State Housing Finance Agencies (State HFAs), and NeighborWorks organizations (NWOs). The Financial Capability grant funds are primarily intended to help individuals who are at risk of foreclosure, recovering from a foreclosure or residents in distressed communities rebuilding after the foreclosure crisis.

At least \$31,500,000 is expected to be made available through a national competitive grant competition with funds targeting Metropolitan Statistical Areas (MSA) and rural areas identified as areas of high need. At least 75 percent of all Project Reinvest: Financial Capability grants will be awarded in distressed communities identified at the MSA level (or state level for rural areas). Refer to Section 5, Target Methodology, for more information.

The performance period for selected Grantees, which will span approximately 18 months, is estimated to begin in June 2017 and end in November 2018. All grant-funded activities must be completed within the performance period. The application will be made publically available early in calendar year 2017.

D. Purpose of Program and Summary of Eligible Applicants

Project Reinvest: Financial Capability is designed to provide funding for organizations to provide financial capability counseling/coaching that will help clients stabilize their finances, rebuild credit and establish savings. Funds will be awarded to applicants with demonstrated experience in providing financial capability services to clients. Additional funds will be made available to supplement selected organizations' existing Matched Savings programs.

The funding opportunity is open to HC Intermediaries, State HFAs, NWOs and National, Regional and State Financial Capability Intermediaries. National Financial Capability Intermediaries must have a minimum of 10 sub-grantees, branches or affiliates. Regional and State Financial Capability Intermediaries must have a minimum of 5 sub-grantees, branches or affiliates. All FC Intermediaries must have a minimum of three years of experience as a financial capability intermediary.

NeighborWorks America reserves the right to make exceptions to the guidelines set forth in this Funding Announcement.

E. Funding Source

The Department of Justice, along with the States of California, Delaware, Illinois, Maryland, and New York, and the Commonwealth of Kentucky, acting through their respective Attorneys General (collectively, "the States") entered into a Settlement Agreement ("Settlement") with Bank of America Corporation, Bank of America, N.A., and Banc of America Mortgage Securities, as well as their current and former subsidiaries and affiliates (collectively, "Bank of America") on August 20, 2014.

Annex 3 of the Settlement provided that, when certain conditions are met, the Settlement Monitor shall pay an amount equal to 25% of the Surplus a particular fund required by the Settlement to NeighborWorks America for the sole purpose of providing housing counseling, neighborhood stabilization, foreclosure prevention, or similar programs. The Monitor and NeighborWorks America entered into a Surplus Distribution Agreement, dated February 3, 2016, to distribute as stipulated. To satisfy its obligations

under the Surplus Distribution Agreement, NeighborWorks America will administer the Project Reinvest Grant Program.

F. Points of Contact

Grants or Program Support Questions

Please contact the Project Reinvest team at projectreinvest@nw.org with any questions related to this funding opportunity or application.

Technical Support Questions

Please contact 1-866-720-1807 if you experience difficulties with the NeighborWorks America online application system. This phone number is a help desk for the grants portal only.

II. Definitions

Action Plan. “Action Plan” refers to a written plan created for a client that includes: client goals identified by the client and coach, the follow-up activities to be taken by the client, and the timeline for these activities. The Action Plan must be clearly labeled in the client file. When developing this Action Plan, it is expected that the counselor/coach will do a comprehensive analysis of the client’s situation and goals and recommend the best plan of action. The Action Plan must include the counselor’s/coach’s Assessment of the client’s situation with a client-specific recommendation and plan of action. A sample Action Plan is Exhibit A to this document.

Affiliate. “Affiliate” is a separately incorporated nonprofit organization participating as a grant sub-recipient through a Financial Capability Intermediary, Housing Counseling Intermediary, or State Housing Finance Agency for the purposes of its Financial Capability Program. To be eligible for a sub-grant, an Affiliate must be: (1) duly organized and existing as a tax-exempt nonprofit and (2) in good standing under the laws of the state of its organization and (3) authorized to do business in states where it provides or proposes to provide Financial Capability Counseling/Coaching services.

Application. “Application” is the document eligible applicants must submit to compete for Project Reinvest: Financial Capability grant funding. The Application is available online at <https://neighborworks.fluxx.io>.

Application Guide. The “Application Guide” was created to provide Applicants with further guidance on Application questions. The Application Guide also provides Applicants with general tips and guidelines for successful submission of the Application, including an Application checklist to help Applicants determine if all necessary information and documentation has been included prior to submission. To access the guide, visit www.neighborworks.org/projectreinvestfinancialcapability.

Applicant. “Applicant” is an eligible organization applying with a proposed project that meets all eligibility requirements as described in Section 4 below. “Applicant” refers to Financial Capability Intermediaries, HUD-Approved Housing Counseling Intermediaries, State Housing Finance Agencies, and NeighborWorks organizations.

Assessment. An ‘Assessment’ of the client’s goals is performed to determine the current Financial Capability readiness of the client, and to inform the counselor/coach of the client’s goals for seeking Financial Capability services.

Authorized Official. “Authorized Official” is a senior or executive level manager within an organization with the authority to approve and enter into contracts and agreements with third parties.

Award. “Award” is Project Reinvest: Financial Capability grant funding provided to a Grantee for eligible uses.

Awardee. “Awardee” is an Eligible Applicant that has been approved for a grant Award through the Opportunity but that has not yet executed a formal Grant Agreement.

Branch. “Branch” or “Branch Office” refers to an Applicant’s organizational and subordinate unit of a Financial Capability Intermediary, HUD-Approved Housing Counseling Intermediary, or State Housing Finance Agency not separately incorporated or organized. A Branch or Branch Office must be in good standing under the laws of the state where it is authorized to do business and where it proposes to provide Financial Capability Counseling/Coaching services. A Branch or Branch Office cannot be a Grantee, Affiliate or Sub-grantee.

Contracted Counseling Entity. A “Contracted Counseling Entity” (CCE) is a Housing Counseling Agency that a NeighborWorks organization Grantee has contracted with to deliver Project Reinvest: Financial Capability Program-funded counseling /coaching services. As part of their executed Grant Agreement, NeighborWorks organization Grantees must furnish a list of CCEs which includes the organization name, address, contact person name, e-mail and telephone number. These Grantees may amend their CCE list after Awards are made by submitting a written request to NeighborWorks America. All active CCEs that counsel/coach Project Reinvest: Financial Capability Program clients must have unique Branch identification numbers in the Data Collection System (DCS).

Data Collection System (DCS). For the purposes of this Funding Announcement and Project Reinvest: Financial Capability in general, “Data Collection System,” when capitalized or used in its acronym form (DCS) refers to a NeighborWorks America system of the same name that is used to collect counseling/coaching production and related data from NeighborWorks America grantees. (It does *not* refer generically to an organization’s own system/software/database for data collection unless referred to in lower-case, i.e. “data collection system,”) The DCS is also the system in which Project Reinvest: Financial Capability Grantees will submit their production data, quarterly programmatic reports and final programmatic report.

Events of Default and Remedies Policy. “Events of Default and Remedies Policy” refers to the policy set forth by the project identifying when a default occurs and what the remedy is for the default by the Grantee.

Financial Capability. “Financial Capability” refers to the capacity, based on knowledge, skills and access to financial products and services, to manage financial resources effectively. Individuals are financially capable when they demonstrate the ability to: cover monthly expenses with income, track spending, plan ahead and save for the future, select and manage financial products and services, and gain and exercise financial knowledge.

Financial Capability Agencies. This term refers generally to a nonprofit organization that provides Financial Capability services (financial education, financial counseling/coaching, etc.). Organizations that provide Financial Capability services but are *not* either a NeighborWorks organization, a State Housing Finance Agency (HFA), a HUD-Approved Housing Counseling Intermediary (HC Intermediary) or a self-designated Financial Capability Intermediary (FC Intermediary) ***are not eligible to apply on their own for Project Reinvest: Financial Capability.*** FC Agencies may be part of a State HFA, HC Intermediary, or FC Intermediary Application as a sub-recipient. HCAs interested in serving as a Sub-grantee, Branch, or Affiliate for Project Reinvest: Financial Capability should reach out directly to a State HFA, HC Intermediary, or FC Intermediary with which they have a relationship to discuss potential opportunities to participate in those entities’ Project Reinvest: Financial Capability Application.

Financial Capability Coaching. “Financial Capability Coaching” refers to providing regular, client-driven 1:1 sessions with a customer to develop his/her financial goals, Action Plans, and to facilitate behavior changes to meet these goals.

Financial Capability Counseling. “Financial Capability Counseling” refers to directing someone to resolve a specific problem generally through a set process driven by the counselor.

Financial Capability Intermediary. “Financial Capability Intermediary” (or “FC Intermediary”) refers to a national, regional, or statewide organization that provides financial education, counseling and/or coaching services. A FC Intermediary can provide these services directly and/or indirectly through its Branches, Affiliates and/or Sub-grantees, for whom it exercises control over the quality and type of services rendered. For the purposes of this Funding Announcement:

- A **national** Financial Capability Intermediary provides, in multiple states/regions of the United States: (a) Financial Capability education, coaching and/or counseling services directly and/or indirectly through its Branches, Affiliates and/or Sub-grantees or both; and (b) administrative and supportive services to its network of Branches, Affiliates, and/or Sub-grantees, including but not limited to oversight, pass-through funding, training and technical assistance.

- A **regional** Financial Capability Intermediary provides, in one region of the United States: (a) Financial Capability education, coaching and/or counseling services directly and/or indirectly through its Branches, Affiliates and/or Sub-grantees or both; and (b) administrative and supportive services to its network of Branches, Affiliates, and/or Sub-grantees, including but not limited to oversight, pass-through funding, training and technical assistance.
- A **state** Financial Capability Intermediary is an organization which operates within a single state and provides: (a) financial education, coaching and/or counseling services directly and/or indirectly through its Branches, Affiliates or Sub-grantees or both; and (b) administrative and supportive services to its network of Branches, Affiliates, and/or Sub-grantees, including but not limited to oversight, pass-through funding, training and technical assistance.

Please note that “Financial Capability Intermediary” is a category of Applicant that NeighborWorks America has established for the purposes of the Project Reinvest: Financial Capability funding opportunity. There is no outside entity that confers the official status of “Financial Capability Intermediary” on an organization. Rather, Project Reinvest: Financial Capability Applicants may self-identify as a Financial Capability Intermediary; refer to the definitions in the Funding Announcement, Application, and Application Guide to determine whether an organization meets the criteria for a Financial Capability Intermediary. Additionally, the Application and Application Guide detail the documentation that Applicants in this category are required to submit as part of their Application.

Grant Agreement. “Grant Agreement” refers to the document sent to Awardees outlining the terms and conditions governing the disbursement and expenditure of any grant funds provided by NeighborWorks America to a Grantee.

Grantee. “Grantee” refers to an Eligible Applicant that receives an Award through the Project Reinvest: Financial Capability funding opportunity and has a fully executed Grant Agreement.

Housing Counseling Agency (HCA). For the purpose of this Funding Announcement, a “HCA” is an organization that has either received HUD approval as a Housing Counseling Agency or meets the minimum standards for HUD approval. HCAs that are members of the NeighborWorks network *may* be eligible to apply for Project Reinvest: Financial Capability. HCAs cannot apply on their own for Project Reinvest: Financial Capability, unless they are members of the NeighborWorks network. HCAs may be part of a State HFA, HC Intermediary, FC Intermediary, or NWO Application as a sub-recipient. HCAs interested in serving as a Sub-grantee, Branch, or Affiliate for Project Reinvest: Financial Capability should reach out directly to a State HFA, HC Intermediary, or FC Intermediary with which they have a relationship to discuss potential opportunities to participate in those entities’ Project Reinvest: Financial Capability Application.

HUD-Approved Housing Counseling Intermediary. “HUD-Approved Housing Counseling Intermediary” (or “HC Intermediary”) refers to a Department of Housing and Urban

Development (HUD)-Approved national or regional organization that has received HUD approval as a counseling agency and provides housing counseling services through its Branches, Affiliates or Sub-grantees.

Intake. An ‘Intake’ refers to the client intake procedures performed during or prior to the initial Tier 1A counseling/coaching session. Organizations must conduct an Intake that includes collecting key client information, such as, client name, address and basic demographic information. See the Data Points Exhibit, Exhibit C for the required information. Organizations conduct Intake in a variety of ways. Those that use electronic client management systems can submit a screenshot from their system showing that the minimum required information has been collected. This information must be readily available in the client file when requested.

Matched Savings Programs. “Matched Savings Programs” are typically monetary savings accounts that match the deposits of low- and moderate-income savers. For every dollar saved in a Matched Savings Program, savers receive additional funds from another funding source depending on the guidelines set forth under the established program. The proceeds from Matched Savings are typically applied to uses such as postsecondary education, job training, homeownership, or small business start-up. Project Reinvest: Financial Capability does not require or prescribe the eligible uses of Matched Savings; rather, it supports the eligible uses determined by the established programs of its Grantees. In addition to earning matched dollars, participants typically learn about budgeting and saving while receiving additional financial education in pursuit of intended goals.

Notice of Intent. “Notice of Intent” refers to the Notice of Intent to Fund, which is sent to all Awardees indicating the amount of funds the Awardee will be eligible to receive if it fully executes its Grant Agreement and remains in compliance with the program.

NeighborWorks organization (NWO). For the purpose of this Funding Announcement, a “NWO” is a chartered member of the NeighborWorks network and can apply for Project Reinvest: Financial Capability funds directly if it does not have a provisional charter. All other Housing Counseling Agencies or Financial Capability Agencies must apply through a FC Intermediary, HC Intermediary or State HFA.

Operational Oversight. “Operational Oversight” refers to the funding provided by Project Reinvest: Financial Capability to cover quality control, day-to-day oversight and management of the Project Reinvest: Financial Capability Award, and any required improvements to systems and infrastructure. Operational Oversight is reserved for FC Intermediaries, HC Intermediaries and State HFAs.

Program-Related Support. “Program-Related Support” refers to the funding provided by Project Reinvest: Financial Capability for direct costs incurred and/or associated with increasing the effectiveness and efficiency of a Grantee, its’ Sub-grantees, Branches, Affiliates and/or CCEs’ ability to provide quality Financial Capability Counseling/Coaching to clients. This may include, but is not limited to: outreach to potential clients, infrastructure development and improvements, costs related to staff hiring and training, purchasing or

leasing outcome evaluation tools, collecting data for grant reporting purposes, administrative costs related to the management of a Matched Savings Program, pulling credit reports and providing quality control oversight of counseling/ coaching services.

Program Administrator. “Program Administrator” is NeighborWorks America.

State Housing Finance Agency. “State HFA” is defined as the public body, agency or instrumentality created by a specific act of a state legislature, empowered to finance activities designed to provide housing and related services (for example through land acquisition, construction or rehabilitation) throughout an entire state. State HFAs may provide direct services or sub-grant funds, or both, to affiliated local Housing Counseling Agencies or Financial Capability Organizations within the HFA’s state.

Sub-grantee. “Sub-grantee” refers to an organization to which the Grantee awards a sub-grant, and which is accountable to the Grantee for the use of the funds provided. A Sub-grantee may be separately incorporated or organized, but connected with an FC Intermediary, HC Intermediary or State HFA for the purposes of the Project Reinvest: Financial Capability funding opportunity.

III. Funding Available Under this Funding Announcement

At least \$31,500,000 is expected to be made available through a national competitive grant competition with funds targeting Metropolitan Statistical Areas (MSA) and rural areas identified as areas of high need. NeighborWorks America anticipates allocating this pool of funds as follows:

Use	Fund Allocation
Financial Capability Counseling/Coaching, Program-Related Support, and Operational Oversight	Approximately \$29,500,000
Matched Savings	Approximately \$2,000,000

A. Limits on Amounts Requested

The available funds will be awarded through a competitive grant process and disbursed upon execution of a Grant Agreement, as outlined in this Funding Announcement. Of the available funds, at least 75 percent will be targeted to serve people living in Areas of Greatest Need and/or Areas of Extraordinary Need.

In the event that additional funds become available for the Project Reinvest: Financial Capability funding opportunity, (whether through recaptured or de-obligated funds or new funding made available through any other source or mechanism), NeighborWorks America reserves the right to award those additional funds to program Grantees that have made most progress in production under their awarded Project Reinvest: Financial Capability funding. Availability may be restricted to certain Grantees on the basis of Project Reinvest:

Financial Capability program priorities (for example, the need to serve a specific geographic area).

The minimum request amount for Financial Capability grants is \$50,000, and the maximum amount is \$3,000,000. Financial Capability Counseling/Coaching must be an existing line of business for the Applicant; these funds are not intended to be used for an organization to start a new Financial Capability program

B. Grant Components and Basis for Calculating Award Amounts

The Financial Capability Grants will include the following components:

1. *Coaching/Counseling* funds, which will be calculated based on a pre-defined, flat rate amount, per financial coaching/counseling session or unit delivered by the Grantee (\$300 per unit for Tier 1A coaching/counseling units and \$150 per unit for Tier 1B coaching/counseling units). Applicants should only apply for the amount of counseling/coaching funding that they have the capacity to manage or spend down by the end of the period of performance.
2. *Program-Related Support (PRS)* funds, which will be calculated as 20 percent of the total coaching/counseling Award amount. Uses of PRS can include, but are not limited to: outreach to clients, infrastructure development and improvements, costs related to staff hiring and training, purchasing or leasing outcome evaluation tools, collecting data for grant reporting purposes, and administrative costs related to the management of a Matched Savings Program, pulling credit reports and providing quality control oversight of counseling/ coaching services.

A plan for use of these funds, **including the estimated costs of major budget line-items**, must be included with the Application. These funds shall be used to increase Financial Capability Counseling/Coaching program efficiencies. State HFAs, FC Intermediaries and HC Intermediaries must pass through all Program-Related Support funds to their Sub-grantees, Branches or Affiliates **unless** they keep on file a justification for how retaining a portion of this support will have a timely and positive impact on the capacity of Sub-grantees, Branches or Affiliates to conduct Financial Capability Counseling/Coaching. If this is the case, no more than 50% of the Program-Related Support funds allocated under this section can be held at the FC Intermediary, HC Intermediary or State HFA level. These funds are not intended to cover administrative costs; rather, they are meant primarily to support direct costs associated, as much as possible, with increasing the ability of Sub-grantees, Branches, Affiliates or CCEs to effectively and efficiently provide quality Financial Capability Counseling/Coaching.

3. *Operational Oversight (OO)* funds, available to HC Intermediaries, FC Intermediaries and State HFAs for the oversight of Sub-grantees, Branches and Affiliates. OO funds will be calculated as 7 percent of the Coaching/Counseling Award amount.

4. *Matched Savings* (MS) funds, available to eligible Applicants who are proposing to deliver Tier 1B Counseling/Coaching services (discussed further in Section V (A)) *and* have an existing Matched Savings Program in operation for at least the past 12 months. Applicants must also meet a minimum threshold for the number of participants served in their Matched Savings program. In the Application for funding, Applicants will be asked to submit evidence of their existing Matched Savings Program, such as marketing materials, reports to funders, etc. Grantees receiving Matched Savings funds must be delivering both Tier 1A and Tier 1B Counseling/Coaching, but the Matched Savings Award is *not* a flat amount based on Counseling/Coaching production. Applicants have discretion to request a Matched Savings grant amount of their choice, based on their capacity to spend the funds on matching participants' savings deposits within the 18-month period of performance.

Please see the Application Guide for an example of Award calculations and how these components will comprise the overall Financial Capability Grant Award.

IV. Eligibility and Other Program Requirements

If an organization does not meet the eligibility requirements outlined in Section IV of this Funding Announcement, its Application will not be forwarded for review. Organizations that do not meet eligibility requirements will be informed of the decision by program staff and such decisions are final and cannot be appealed.

A. Types of Organizations Eligible to Apply

The following types of organizations are eligible to apply for Project Reinvest: Financial Capability funds. **Refer to Section IV (B) below for eligibility requirements covering *all* Applicants; and Section IV (C) below for additional specific eligibility requirements pertaining to each category of Applicant.**

1. Financial Capability Intermediaries with either a national, regional, or state service area.
2. HUD-approved Housing Counseling Intermediaries
3. State Housing Finance Agencies
4. NeighborWorks organizations

B. Minimum Eligibility Requirements for All Applicants

1. All Applicants must have 501(c) (3) nonprofit status and provide an active IRS Nonprofit Determination Letter or IRS Affirmation Letter for 501(c) (3) nonprofit status as part of the Application.
2. All Applicants must have audited financial statements and must provide with the Application the financial package for the most recent fiscal year (single audit;

audited financial statements; management letter, if issued; and corrective action plan, if management letter was issued or if audit had findings).

3. All Applicants must have at minimum of 12 months of experience in providing Financial Capability Counseling/Coaching, either directly or through a network of Sub-grantees, Branches, or Affiliates. (Refer to Section IV(C) below for additional experience requirements for Financial Capability Intermediaries.)
4. All Applicants (or, in the case of FC Intermediaries, HC Intermediaries, and State HFAs, all Sub-grantees, Branches or Affiliates) must demonstrate experience providing Financial Capability Counseling or Coaching services that include:
 - a. Documented Financial Capability Action Plans to at least 50 clients during the past year or 20 clients during the past quarter; OR
 - b. For Applicants with a service area that is more than 75% rural, documented Financial Capability Action Plans to at least 25 clients during the past year or 10 clients during the past quarter.

C. Further Eligibility Criteria and Required Documentation for Each Applicant Category

If an Applicant does not meet the minimum eligibility requirements described above **and** the additional eligibility criteria for its specific applicant category, the Applicant will not be considered for an Award. Applicants that do not meet eligibility requirements will be informed of the decision by program staff. **Such decisions are final and cannot be appealed.**

1. Financial Capability Intermediaries (National, Regional, or State)
 - a. All organizations choosing to apply in the Financial Capability Intermediary category (a self-defined designation; see the “Definitions” section above for further details) must have a minimum of three years of experience delivering Financial Capability services, or managing a network of Sub-grantees, Branches, and Affiliates that deliver these services. (Note that this differs from the minimum 12-month experience requirement for eligible Applicants overall.)
 - b. National FC Intermediaries must have a minimum of 10 Sub-grantees, Branches, or Affiliates.
 - c. State and Regional FC Intermediaries must have a minimum of five Sub-grantees, Branches, or Affiliates.
 - d. FC Intermediaries will be required to provide as part of documenting their Applicant status:
 - i. The organization’s charter/incorporation document;
 - ii. A letter on the organization’s letterhead signed by the Chief Executive Officer, President, or Executive Director attesting that the organization has been providing Financial Capability

Counseling/Coaching (directly or through Sub-grantees, Branches, or Affiliates) for at least three years and that the organization has at least 10 Sub-grantees, Branches or Affiliates (if a National FC Intermediary), or five Sub-grantees, Branches or Affiliates (if a Regional or State FC Intermediary); and

- iii. A reference letter from a funder affirming that the organization has been providing Financial Capability Counseling/Coaching (directly or through Sub-grantees, Branches, or Affiliates) for at least three years.

2. HUD-Approved Housing Counseling Intermediaries

- a. HC Intermediaries must be in good standing with the U.S. Department of Housing and Urban Development.
- b. HC Intermediaries will be required to provide as part of documenting their Applicant status:
 - i. The organization's most recent HUD 9902.

3. State Housing Finance Agencies

- a. State HFAs must have statutory authority to operate as a State HFA from the state where the Applicant organization is incorporated.
- b. State HFAs will be required to provide as part of documenting their Applicant status:
 - i. Evidence of statutory authority to operate as a State HFA in the state where the Applicant organization is incorporated;
 - ii. The agency's most recent HUD 9902, if applicable, or a document on the agency's letterhead signed by the Chief Executive Officer, President, or Executive Director stating that the organization is not required to complete the 9902 and why. The organization's most recent HUD 9902.

4. NeighborWorks organizations (NWOs)

- a. Applicants in this category must be an existing chartered member of the NeighborWorks network in good standing, with a charter on or before **March 2, 2017** (the Application due date).
- b. NWOs may contract with Contracted Counseling Agencies (CCEs) to provide Financial Capability Counseling/Coaching, provided that such arrangements are made on a contractual basis (not as grantor/grantee), that no more than 50 percent of the awarded counseling/coaching units shall be contracted out, and the NWO agrees to sign a standard Representation and Warranty as part of its Project Reinvest: Financial Capability Grant Agreement. The NWO applying for Project Reinvest:

Financial Capability funds will be required to identify the organization(s) with which they plan to contract out part of their Award, the Demonstrated Experience of each organization, and the experience of the counselors working with clients under the grant as part of their Application.

- c. NWOs will be required to provide as part of documenting their Applicant status:
 - i. The organization's most recent HUD 9902, if applicable, or a document on the organization's letterhead signed by the Chief Executive Officer, President, or Executive Director stating that the organization is not required to complete the 9902 and why.

Local housing counseling organizations, local Financial Capability Agencies, and similar "standalone" nonprofit organizations (e.g. Community Development Corporations, community-based organizations, nonprofit social service agencies) that are not members of the NeighborWorks network and do not meet the criteria themselves to be considered State HFAs, FC Intermediaries, or HC Intermediaries cannot apply directly to Project Reinvest: Financial Capability. Such organizations may wish to reach out to HC Intermediaries, FC Intermediaries, or State HFAs with which they have a relationship to discuss possible opportunities to be a Sub-grantee, Branch, or Affiliate in the Project Reinvest Application of those eligible entities.

D. A Note about Affiliations with Multiple Intermediaries and State HFAs.

Financial Capability Intermediaries, State HFAs, HUD-Approved Housing Counseling Intermediaries and NeighborWorks organizations may elect to participate in this program through affiliation with multiple organizations, but they must justify why these affiliations are needed in order to meet the priorities for the Project Reinvest: Financial Capability funding opportunity. They must also demonstrate their capacity to track and report the various contracted activities under multiple Applications. In particular, they will have to demonstrate capacity to report client-level data with unique identifiers (including but not limited to client name, address, outcomes, etc.) to prevent duplication of billing for the same client. They must also disclose their intent to apply under multiple Applications to all Intermediaries, State HFAs or NWOs with which they are affiliated, and provide in writing a breakdown of projected counseling/coaching sessions to be conducted under each Application.

E. A Note about Organizations Applying with Sub-grantees, Branches, Affiliates and CCEs

- 1. FC Intermediaries and State HFAs are permitted to add or remove Sub-grantees during the grant period by submitting a written request to NeighborWorks America and receiving approval. Adding Sub-grantees does not result in an increased grant Award. Financial Capability Counseling/Coaching sessions completed by the added Sub-grantees can be counted toward the Grantee's goals.

2. For FC or HC Intermediaries and State HFAs, demonstrated capacity to pass through Financial Capability grant funds to its Sub-grantees, Branches or Affiliates and intent to pass through the majority of Financial Capability and Program-Related Support funds for each disbursement in accordance with Sub-grantee, Branch and/or Affiliate agreement(s).

F. Other Program Requirements

1. Matched Savings Funds
 - a. Please see Section V (B) of the Funding Announcement for additional eligibility requirements regarding the Project Reinvest: Financial Capability Matched Savings funds.
2. Operational
 - a. Applicant and its Sub-grantees, Branches, Affiliates or CCEs must have current certificates of good standing in all states in which it operates.
 - b. Applicant and its Sub-grantees, Branches, Affiliates or CCEs must be currently authorized to do business in all states where it proposes to provide counseling/coaching services.
 - c. State HFA Applicants must have statutory authority to serve the entire state. No more than one HFA per state will receive an Award.
 - d. FC Intermediaries, HC Intermediaries and State HFAs must demonstrate the capacity to serve as an intermediary, including capacity to: distribute funds; communicate with Sub-grantees, Branches or Affiliates; collect requisite data; and monitor quality, performance, and outcomes of each Sub-grantee, Branch or Affiliate. Each FC Intermediary, HC Intermediary, or State HFA is responsible for maintaining on file in its offices (a) any multiple Applicant disclosure letters received by Sub-grantees, Branches or Affiliates that are applying through multiple Intermediaries and/or State HFAs, and (b) signed certification forms (from the Application) for each of its Sub-grantees, Branches or Affiliates.
 - e. Applicants must demonstrate capacity to obtain, track, and report household level data electronically, including names and addresses. This is essential to avoid payment for duplicate counseling/coaching services provided to the same client and to evaluate program effectiveness. Exhibit C lists data points that will be collected before each disbursement. Applicants must also have the capacity to collect, aggregate and report overall program and production data electronically.
 - f. Applicants are encouraged to employ client management systems or systems that at minimum supply required client-level and aggregate Project Reinvest: Financial Capability data electronically.
 - g. Grantees must be able to track their Project Reinvest: Financial Capability grant funds and expenditures separately.

- h. Grantees with Sub-grantees, Branches, Affiliates or CCEs must provide the Project Reinvest: Financial Capability program with a detailed description of how they provide oversight of them with their signed Grant Agreement.
 - i. All Applicants agree to several acknowledgements including, but not limited to, the acknowledgement that Grantee will meet stated reporting requirements outlined in Section X (C). Applicants must say “yes” to all required acknowledgements to be considered for an Award. A full list of required acknowledgements can be found in Exhibit B.
3. Client Rights
- a. Counseling offices and services must be accessible to persons with disabilities. Grantees must be able to provide a Representations and Warranties Certification for it and all Sub-grantees, Branches, Affiliates or CCEs that the buildings in which counseling services are provided are accessible or have a referral list for clients that need accessibility if their building does not provide access.
 - b. If a Grantee does not offer translation services, it must provide a Memorandum of Understanding or other documentation detailing a relationship with a translation agency.
 - c. Grantee must establish referral networks for individuals and families seeking services that the counselor/coach does not provide or possess sufficient competency to adequately and effectively deliver.
 - d. To ensure no financial barriers would prohibit clients from receiving Financial Capability Counseling/Coaching services, Applicants and their Sub-grantees, Branches, Affiliates or CCEs participating in the Project Reinvest: Financial Capability program agree not to charge fees (service fees, membership fees or otherwise) to any Project Reinvest: Financial Capability Counseling/Coaching clients in exchange for Financial Capability Counseling/Coaching services. Although a client may choose to pull and provide their credit report, Grantees may charge a nominal fee for pulling credit reports if the cost does not deter clients from seeking financial counseling/coaching assistance.
 - e. NeighborWorks America will not permit discrimination by Grantees against clients on the basis of their age, gender, race, color, religion, national origin, ancestry, creed, pregnancy, marital or parental status, familial status, sexual orientation, or physical, mental, emotional or learning disability.

V. Eligible Financial Capability Activities

A. Project Reinvest: Financial Capability Counseling/Coaching Activities

Project Reinvest: Financial Capability Grantees will be required to **provide up to two tiers of Financial Capability Counseling/Coaching to clients.**

Tier 1A services are an introduction to Financial Capability Counseling/Coaching. **Tier 1B** services are optional, and provide additional services that elevate the financial education and capability of the client. The tiers of service are sequenced such that clients must complete Tier 1A before receiving Tier 1B services; because Tier 1B involves updating the client's goals and Action Plan, based on content discussed in the initial Tier 1A counseling/coaching session, Grantees cannot provide Tier 1B services to clients who have not first completed Tier 1A. (Please refer to the Application Guide and Frequently Asked Questions document for more details on the tiers of counseling/coaching.)

For the purposes of assessing client progress in Financial Capability, counselors/coaches will require the client to respond to a brief set of financial well-being questions at the start of the Tier 1A session (or as part of a pre-counseling/coaching Intake, if a separate Intake is part of the organization's Financial Capability program design) and again at the start of the Tier 1B session. Project Reinvest: Financial Capability Grantees will use The Financial Well-Being Scale, developed by the Consumer Financial Protection Bureau (a copy can be found in Exhibit D of this Funding Announcement.)

The following table summarizes the Tier 1A Counseling/Coaching activities and the **requirements for documentation** that Grantees (and, if applicable, Sub-grantees, Branches, Affiliates, and CCEs) must maintain in each client's file for each of the Tier 1A Counseling/Coaching services.

Activity	Tier 1A Counseling/Coaching	Tier 1A Counseling/Coaching File Documentation Required
Intake	Collect key client information, such as: name, address, contact information and basic demographic information.	Documentation of the completed client Intake.
Assessment	Conduct a complete Assessment of the client's needs and goals at the initial Tier 1A session.	Documentation of the completed Assessment may be a separate document OR Grantees may combine an Assessment and the Action Plan into one document, if that approach is aligned with their existing Financial Capability program design.
Financial Well-Being Measurement	Administer CFPB Financial Well-Being Scale Questionnaire at the <i>initial</i> Tier 1A session.	Completed CFPB Financial Well-Being Questionnaire (pre-counseling/coaching).
Credit Report	Review and discuss client's credit report. <i>The counselor/coach may pull the credit report, or the client may bring in a recent copy of the credit report, that has been pulled within</i>	A copy of the client's credit report.

Activity	Tier 1A Counseling/Coaching	Tier 1A Counseling/Coaching File Documentation Required
	<i>the last 60 days.</i>	
Budget	Create a budget for the client.	Documentation of client's current budget, clearly indicating the client for whom the budget was created. ¹
Action Plan	Create an Action Plan for the client. The Action Plan should clearly state the client's goal(s), timeline, and action steps the client must take to help them achieve the goal(s). The Action Plan must also indicate the results of the Assessment made by the counselor/coach.	Documentation of an Action Plan that clearly states the client's goal(s), timeline, and action steps the client must take to help them achieve the goal(s). The Action Plan must also indicate the results of the Assessment made by the counselor/coach.
Financial Education	Provide financial education to the client, based on client's needs and goals.	Documentation of the financial education provided, to include the topics, format and date provided. Notes from the Client Management System will suffice.
Referrals	Provide referrals to resources that can help the client adhere to the Action Plan steps in order to reach stated financial goals (in cases where the client's needs cannot fully be addressed by the Grantee; may not be applicable for all clients).	If applicable (if referrals were provided to the client) - a copy of the referral form provided to the client, or documentation of the referral(s) provided to the client.

¹ Project Reinvest: Financial Capability does not require Grantees to collect documentation of income and expenses (e.g. pay stubs, tax returns, bank statements) from counseling/coaching clients as part of creating the budget; for NeighborWorks America's purposes, a budget based on the client's oral representation of their income and expenses is sufficient. However, Applicants whose existing financial capability program design *does* request such documentation from clients may continue to follow their own program design and organizational policies. Please also note that the budget developed for the client file *must* be the client's *current* budget—i.e. what the client is actually earning in income and spending in expenses at the point in time of the counseling/coaching session—not a “spending plan”-style budget that illustrates what the client *should* earn/spend in order to meet financial goals (although counselors/coaches, at their discretion, may also work with clients to develop a spending plan in addition to the budget that is required for Project Reinvest).

Activity	Tier 1A Counseling/Coaching	Tier 1A Counseling/Coaching File Documentation Required
Follow Up	Follow-up with the client at least once within 30 days of performed Tier 1A session. This follow-up can be an email, phone call, face-to-face meeting or letter to client.	Documentation of follow-up contact with the client including, at minimum, date and method of follow-up contact and response (or non-response, if applicable) from client. Client file notes from the client management system is acceptable.

In order to submit a Tier 1A counseling/coaching session in NeighborWorks America's DCS for the purposes of meeting a grant disbursement threshold, the following completed documents must be in the client's file: the Intake, documentation of the client's Assessment, the completed Financial Well-Being Measurement Questionnaire, Credit Report, Budget, Action Plan, documentation of Financial Education, and documentation of Referrals provided (if applicable). *The Grantee may submit this client-level data to the DCS prior to following up with the client; however, documentation of client follow-up must subsequently be added to the client file once the Tier 1A follow-up occurs.* Tier 1A Counseling/Coaching will be valued at \$300.

The following table summarizes the Tier 1B Counseling/Coaching activities and the **requirements for documentation** that Grantees (and, if applicable, Sub-grantees, Branches, Affiliates, and CCEs) must maintain in each client's file for each of the Tier 1B Counseling/Coaching services.

Activity	Tier 1B Counseling/Coaching	Tier 1B Counseling/Coaching File Documentation Required
Assessment	N/A; Assessment is completed during Tier 1A session.	N/A; Assessment is completed during Tier 1A session.
Financial Well-Being Measurement	Administer CFPB Financial Well-Being Scale Questionnaire at the <i>initial</i> Tier 1B session.	Completed CFPB Financial Well-Being Questionnaire (post-counseling/coaching).
Credit Report	Review and discuss client's subsequent/updated credit report <i>if the Action Plan established in Tier 1A includes</i>	Copy of the client's subsequent/updated report (from the same credit bureau as the initial report, if the counselor/coach pulled it), <i>if</i>

Activity	Tier 1B Counseling/Coaching	Tier 1B Counseling/Coaching File Documentation Required
	<i>working on credit.</i> <i>The counselor/coach may pull the credit report, or the client may bring in a recent copy of the credit report that was pulled <u>subsequent to the credit report</u> provided in the Tier 1A session.</i>	<i>the client established working on credit as one of their goals in their Tier 1A Action Plan.</i>
Budget	Create an updated budget for the client.	Documentation of client's updated budget, clearly indicating the client for whom the budget was created. ²
Action Plan	Create a progress Action Plan for the client. This Action Plan must clearly state the progress the client has taken since the initial Action Plan was developed, indicate any new goals, new timelines and action steps the client must take to further help them achieve the existing or new goal(s).	Documentation of an updated Action Plan that clearly states the progress the client has taken since the initial Action Plan was developed, as well as any new goals, new timelines and action steps the client must take to further help them achieve the existing or new goal(s).
Financial Education	N/A	N/A
Referrals	Provide updated referrals to resources, as needed (in cases where the client's needs cannot fully be addressed by the Grantee; may not be applicable for all clients).	If applicable (if referrals were provided to the client) - a copy of the referral form provided to the client, or documentation of the referral(s) provided to the client.

² As with the Tier 1A budget, the Tier 1B budget must be the client's actual earnings in income and spending in expenses at the point in time of the Tier 1B counseling/coaching session. A budget based on the client's oral representation of their income and expenses is sufficient.

Activity	Tier 1B Counseling/Coaching	Tier 1B Counseling/Coaching File Documentation Required
Follow Up	Follow up with client at least one time within five months of performed Tier 1B session. This follow-up can be an email, phone call, face-to-face meeting or letter to client.	Documentation of follow-up contact with the client including, at minimum, date and method of follow-up contact and response (or non-response, if applicable) from client. Client file notes from the client management system is acceptable.

In order to submit a Tier 1B counseling/coaching session in NeighborWorks America's DCS for the purposes of meeting a grant disbursement threshold, in addition to the Tier 1A documentation, all of the required documentation, as noted in the table above, and as applicable for the client must be in the client's file. *The Grantee may submit this client-level data to the DCS prior to following up with the client; however, documentation of the client's Tier 1B follow-up must be added to the client file once the follow-up occurs.* Tier 1B Counseling/Coaching will be valued at \$150.

Intermediaries and State HFAs are responsible for ensuring proper documentation exists in client files at each of its Sub-grantee, Branch or Affiliate offices. NWOs are responsible for ensuring proper documentation exists for each client served by its Branch Offices or CCEs.

B. Project Reinvest: Financial Capability Matched Savings Activities

Matched Savings Programs are typically intended to help incentivize savings among Financial Capability program clients (see Definitions). Project Reinvest: Financial Capability includes a Matched Savings Award for which eligible organizations may apply as a supplement and enhancement to their Financial Capability Counseling/Coaching Award, and to help promote financial well-being of clients receiving counseling/coaching under Project Reinvest.

In order for an Applicant to be considered for Project Reinvest: Financial Capability Matched Savings grant funds, the Applicant must meet the following requirements:

1. Be an Awardee of Project Reinvest: Financial Capability grant funds (an organization *cannot* only apply for a Matched Savings Award without also applying for a Financial Capability Counseling/Coaching Award);
2. Provide Tier 1B counseling/coaching, as outlined above in Section V (A)a;
 - a. Only clients who participate in the Tier 1A and Tier 1B counseling/coaching sessions are eligible for enrollment in a Project Reinvest-funded Matched Savings Program.

3. Provide demonstrated experience of an existing Matched Savings Program—either wholly operated by the Applicant or operated by the Applicant in partnership with a third party that serves a limited administrative function—active for all months of the most recent consecutive 12 months (refer to the Application Guide for additional information);
 - a. Applicants that administer their own Matched Savings Program must show that at least 10 participants successfully completed their program within the most recent 12 months.
 - b. Applicants that administer their Matched Savings Program with a third-party entity will be required to have in place an existing contractual agreement or Memorandum of Understanding (MOU) and will be required to submit that documentation as part of their Application. Applicants that administer their Matched Savings Program with a third-party must show that at least 25 participants successfully completed their program within the most recent 12 months.
4. Double enrollment of clients in the Matched Savings Program is prohibited.
5. The Matched Savings program must be the Direct Grantee’s program; it cannot be a program that the Sub-grantee independently administers.

C. Additional Administrative Requirements for Eligible Financial Capability Activities

1. *Authorization.* Grantees must collect a signed authorization form from the client at the Tier 1A counseling/coaching session or have other legally-permissible client authorization on record that will allow organization to (a) submit client-level information to the DCS for this grant, (b) allow NeighborWorks America to open files to be reviewed for program monitoring and compliance purposes, and (c) allow NeighborWorks America to conduct follow-up with the client related to program evaluation. Clients may opt-out of (c) above only, but proof of this must be retained in the client’s file. Clients that opt-out of (a) or (b) above cannot be uploaded into the DCS. NeighborWorks America has made available a template authorization form for Grantees to modify for their own use if they do not already have such a form, see Exhibit G to this document.

This signed authorization form is applicable to all performed sessions. Alternatively, Grantees may incorporate the language above (a-c) into their existing authorization forms. Files uploaded into the DCS without a signed authorization form can create a legal liability for the Grantee; therefore, Grantees must ensure client files submitted to the DCS have a signed authorization form in the client file. It is acceptable for Grantees to substitute the words “Grant Administrators” or “Funders” in place of “NeighborWorks” in (b) or (c) above.

Grantees are responsible for performing Project Reinvest: Financial Capability Counseling/Coaching within the limits of the laws in the state(s) in which it operates. If agencies are providing Project Reinvest: Financial Capability

Counseling/Coaching via telephone or online, they should verify verbal/electronic authorization laws in the state(s) where the counseling is being performed. If the authorization form is signed electronically by the client or verbal authorization is provided, the Grantee should maintain proof of electronic signature or verbal authorization in each client file, as permissible by the law in the state(s) in which they operate.

2. *Privacy Policy.* Grantees must provide to all clients a copy of its privacy policy at the Tier 1A session. Proof that the client received the policy must be maintained in the client's file. Such proof can include a statement signed by the client or an electronic signature, if applicable. Although it is a best practice to provide the client with the privacy policy at the time of counseling/coaching session, the organization may elect to share the privacy policy after the session occurs. If that is the case, the organization must keep on file proof that the policy was sent to the client via email, fax, or postal mail. Having access to the privacy policy on the organization's website does not satisfy this requirement unless there is affirmative confirmation and documented proof that the client has reviewed the policy in the file. Please note that clients who are given the choice to "opt-out" of the organization's privacy policy provision allowing for the sharing of their information with affiliated third-parties and choose to do so cannot be uploaded into the DCS for payment by Project Reinvest: Financial Capability.
3. *Duplicate Client Billing.* A client can be submitted and billed only once for a Tier 1A session and a Tier 1B session under the program.
4. *Data Collection and Management.* All Grantees will submit counseling/coaching production, additional client data, and quarterly and final reports into NeighborWorks America's Data Collection System (DCS; see "Definitions" section) in order to request disbursements of funds as well as fulfill reporting requirements. (The DCS is not a Client Management System; Grantees should use their own existing CMS, and may batch-upload data into the DCS in .csv file format.) See Exhibit C for a list of required data points for Project Reinvest: Financial Capability.

As part of the start-up documentation required with the Grant Agreement, Grantees will need to provide NeighborWorks America with a final list of all Sub-grantees, Branches, Affiliates, and/or CCEs. NeighborWorks America will assign unique ID numbers to each sub-recipient to facilitate data collection/management at the Grantee and sub-recipient levels in the DCS.

VI. Project Reinvest: Financial Capability Eligible Uses of Funds

All Project Reinvest: Financial Capability grant funds must support the costs of the overall Financial Capability program. If the cost of the counseling/coaching is less than the Project Reinvest: Financial Capability funding, Grantees do not need to return excess funds; rather, they must allocate those funds within their overall Financial Capability program.

There will be three main components of the Project Reinvest: Financial Capability Award: (1) Financial Counseling/Coaching; (2) Program-Related Support; and (3)

Operational Oversight (for FC and HC Intermediaries and State HFAs only). There is an optional fourth component for organizations applying for Matched Savings funds. These are defined in greater detail below. While Applicants are encouraged to apply for what they believe they can use, NeighborWorks America reserves the right to award less than the grant amount requested. Reductions in Project Reinvest: Financial Capability grant funding will result in proportional reductions in Program-Related Support and Operational Oversight Awards.

- A. *Counseling/Coaching Award:* The counseling/coaching portion of the Award is intended to cover the costs of staff delivering Project Reinvest: Financial Capability Counseling/Coaching sessions to clients. A portion of these funds will be provided up-front to Grantees. The remaining funds will be disbursed on a reimbursable basis as Grantees reach established disbursement thresholds. The Counseling/Coaching Award equals **\$300 per Tier 1A Counseling/Coaching session and \$150 per Tier 1B Counseling/Coaching session.**
- B. *Program-Related Support.* Applicants will receive Program-Related Support funds valued at **20 percent of their Coaching/Counseling Award.** Program-Related Support funds are intended for direct costs incurred to increase the effectiveness and efficiency of a Grantee and/or its Sub-grantees, Branches, Affiliates and/or CCEs' ability to provide quality Financial Capability Counseling/Coaching to clients. These funds can be used toward any Project Reinvest: Financial Capability expense. Eligible uses of Program-Related Support include but are not limited to:
 - Outreach to potential clients;
 - Infrastructure development and improvements;
 - Costs related to hiring, orienting and training new counselors/coaches;
 - Purchasing or leasing outcome evaluation tools;
 - Collecting data for grant reporting purposes;
 - Administrative costs related to the management of a Matched Savings Program;
 - Pulling credit reports; and
 - Providing quality control of the counseling/coaching function.

State HFAs, FC Intermediaries and HC Intermediaries must pass through all Program-Related Support funds to their Sub-grantees, Branches or Affiliates **unless** they keep on file a justification for how retaining a portion of this support will have a timely and positive impact on the capacity of Sub-grantees, Branches or Affiliates to conduct Financial Capability Counseling/Coaching. If this is the case, no more than 50% of the Program-Related Support funds allocated under this section can be held at the FC Intermediary, HC Intermediary, or State HFA level.

- C. *Operational Oversight.* Operational Oversight is reserved for FC Intermediaries, HC Intermediaries and State HFAs, and may cover quality control, day-to-day oversight and management of the Project Reinvest: Financial Capability Award and Sub-grantees/Branches/Affiliates, and any required improvements to systems and infrastructure.

Among other things, State HFAs and Intermediaries are responsible for communicating program requirements to all Sub-grantees, Branches or Affiliates, ensuring their compliance, and reporting on their behalf. Project Reinvest: Financial Capability Grantees submitting data to the Data Collection System are responsible for verifying the integrity of the data.

Operational Oversight funds are calculated as **7 percent of the Coaching/Counseling Award.**

- D. *Matched Savings Funds.* Applicants proposing to provide both Tier 1A and Tier 1B counseling/coaching services are eligible to apply for additional funding to supplement an existing Matched Savings Program that has been in operation for at least the past 12 months. Matched Savings funds are intended to expand or enhance a Grantee's existing Matched Savings Program. The use of Matched Savings funds is limited to matching program participants' savings deposits; however, Grantees may use part of their Program-Related Support Award to cover other Matched Savings Program costs beyond the matching deposits.
- E. Organizations receiving Project Reinvest: Financial Capability funds are required to keep a separate program budget for Project Reinvest: Financial Capability and must keep a record of all Project Reinvest: Financial Capability grant funding received and all related costs. NeighborWorks America shall have the right to request copies of such records at any point during the performance period and the subsequent evaluation and record retention period.

Note: Project Reinvest: Financial Capability grant funds may not be used to pay for any political, campaign or lobbying expenses.

VII. Application & Award Process

A. Application Guide

The Application Guide was created to provide Applicants with further guidance on Application questions. The Application Guide also provides Applicants with general tips and guidelines for successful submission of the Application, including an Application checklist to help Applicants determine if all necessary information and documentation has been included prior to submission. To access the guide, visit www.neighborworks.org/projectreinvestfinancialcapability.

B. Online Application

The Project Reinvest: Financial Capability Application can be accessed online via NeighborWorks America's Online Grants Portal: <https://neighborworks.fluxx.io>. Please note that Applications will only be accepted via the online portal; submission of hard-copy Applications is not permitted. **The Project Reinvest: Financial Capability Application will close on March 2, 2017 at 8:00 PM EST.** No Applications will be accepted after this deadline, without exception. Applicants are strongly encouraged to

submit their Application early to avoid any interruptions. Please note that submitted Applications and related documents are property of NeighborWorks America and subject to the Freedom of Information Act (FOIA), which means they may be made available to the public upon request. Applicants should refer to the NeighborWorks America Grants Portal User Guide for guidance on accessing and navigating the portal. For a complete list of required uploads, please reference the Project Reinvest: Financial Capability Application Guide. The Application is divided into seven sections, with an optional eighth section for Applicants seeking Matched Savings funding.

C. NeighborWorks America Grants Portal Registration

In order to log in to the NeighborWorks America Grants Portal, you will first need to register in the system. This is true for all organizations, regardless of whether your organization has received funds from NeighborWorks America in the past. Registration is restricted to Authorized Officials that have the authority to submit a grant application on behalf of their organization.

Registration requests may take up to two business days to be processed. If your registration is approved, you will receive a notification email that includes your username and login credentials. Refer to the Grants Portal User Guide for additional information related to portal registration.

D. System for Award Management (SAM)

NeighborWorks America will verify whether Applicants are disbarred from federal government contracts in the System for Award Management (SAM) at www.sam.gov. Disbarred Applicants are not automatically ineligible for funding. NeighborWorks America will exercise discretion based on the reason(s) for disbarment and may request additional information from Applicants or third parties as it makes its determination. All eligibility decisions of this sort are at NeighborWorks America's sole discretion and cannot be appealed. NeighborWorks America reserves the right to obtain and use third party information about the Applicant from sources other than SAM during or after the Award determination process.

E. Application Review

NeighborWorks America is dedicated to ensuring fairness, precision, and consistency in competitive grants awarded under Project Reinvest. The competitive grant review processes will be conducted by a third-party reviewer using the review criteria identified below and a standardized scoring system to rate each Application against these criteria. **Please note that incomplete or ineligible Applications will be automatically disqualified in the review process with no opportunity for resubmission. All Application reviews and Award decisions are final and cannot be appealed.** However, an Applicant whose Application has been declined will be afforded an opportunity to schedule a debrief meeting to discuss the Applicant's declined Application. Requests for

a debrief must be received within 45 days of the date on the Applicant's notice of declination.

1. Evaluation Criteria

Applications will be reviewed and scored based on the following criteria:

a. Experience of Applicant

Applicants will be evaluated on past experience delivering Financial Capability coaching/counseling services, including but not limited to:

- (i) Organization's length of experience delivering Financial Capability Counseling/Coaching services (and for FC Intermediaries, HC Intermediaries, and State HFAs, the organization's experience in managing Sub-grantees, Branches, or Affiliates that delivery Financial Capability Counseling/Coaching as well as the average experience of the proposed sub-recipients)
- (ii) Experience of staff in Financial Capability Counseling/Coaching
- (iii) Training/professional development level of Financial Capability Counseling/Coaching staff

b. Program Design/Management

Applicants will be evaluated on the extent to which their Application illustrates sound program design/management elements that facilitate the delivery of high-quality Financial Capability Counseling/Coaching, including but not limited to:

- (i) Intake/triage procedures
- (ii) Staffing and management structure
- (iii) Data collection and reporting (including, for Intermediaries, the ability to collect and aggregate data from Sub-grantees, Branches, or Affiliates)
- (iv) Responsiveness to client needs

c. Organizational Capacity

"Organizational capacity" refers broadly to the presence of systems, structures, and policies to ensure high-quality program delivery, financial management, and grant compliance. Among other things, Applicants are required to demonstrate their capacity in the following areas during the Application process:

- (i) For FC Intermediary, HC Intermediary, and State HFA Applicants, frequency and scope of communication and technical assistance activities with Sub-grantees, Branches, or Affiliates; compliance

monitoring of Sub-grantees, Branches, or Affiliates; and systems to ensure strong management of Sub-grantees, Branches, and Affiliates

- (ii) Systems and procedures in place to ensure compliance with grant requirements, and policies for addressing and resolving non-compliance
- (iii) Experience with implementing Financial Capability-related program or grant initiatives and a track record of meeting compliance requirements

d. Proposed Financial Capability Counseling/Coaching Services and Impact

Applicants will be evaluated on the Financial Capability Counseling/Coaching services proposed, including but not limited to:

- (i) Continuity of counseling/coaching services proposed (e.g., percentage of Tier 1A clients to which Applicant proposes to also provide Tier 1B services)
- (ii) Feasibility and reasonableness of counseling/coaching goals proposed as compared to organization's past performance and past or proposed staffing/management structure
- (iii) Reasonableness of proposed uses of Program Related Support funds and (if applicable) Operational Oversight funds.

e. Responsiveness to Areas of Need

Applicants will be eligible for preference points for proposing to serve rural areas, Areas of Greatest Need (AGNs) and/or Areas of Extraordinary Need (AENs), based a set of housing and financial instability indicators. Applicants proposing to serve these areas—as well as Applicants proposing to serve areas in which they have not previously delivered Financial Capability Counseling/Coaching services—will also need to demonstrate their understanding of the needs of these areas and, if new to the area, their plans for outreach and partnership development.

F. Target Methodology

At least 75 percent of all Project Reinvest: Financial Capability Awards will be awarded to serve people in distressed communities identified at the MSA and rural levels using a methodology designed to determine areas of high need. Project Reinvest: Financial Capability Awards will primarily target individuals who are at risk of foreclosure, recovering from a foreclosure or residents in distressed communities rebuilding after the foreclosure crisis. The geographic targeting takes into consideration economic, employment, and housing indicators to identify eligible MSAs. Priority consideration is

given to Applicants that have demonstrated experience serving these areas. Indicators used to develop the methodology include the following:

1. Percent of mortgages with loan payments more than 30+ days late (prime and non-prime) (Foreclosure)
2. Number of mortgages with loan payments more than 30+ days late (prime and non-prime) (Foreclosure)
3. Percent of mortgages in the foreclosure process or Real Estate owned (prime and non-prime) (Foreclosure)
4. Number of mortgages in the foreclosure process or Real Estate owned (prime and non-prime) (Foreclosure)
5. Percent of mortgages valued higher than house value (underwater) (Foreclosure)
6. Number of mortgages valued higher than house value (underwater) (Foreclosure)
7. Percent of households reporting any interest, dividend or net rental income in the past 12 months (Economic)
8. Percentage of the civilian noninstitutionalized population 16 years of age and older that is unemployed (Employment)
9. Median Vantage score (Household Finance)
10. Percentage of borrowers who are 90 days or more past due on any debt payments (Household Finance)
11. Number of borrowers who are 90 days or more past due on any debt payments (Household Finance)
12. Housing and transportation cost as percentage of income for the regional typical household income (Housing)
13. Percent of habitable housing that is unoccupied, excluding properties that are for seasonal, recreational or occasional use (Housing)

G. Award Process

Upon completion of the Application review process, NeighborWorks America will send a Notice of Intent to all Applicants that have been approved for a grant Award. The Notice of Intent will include the final approved Award amount and an overview of the necessary steps for acceptance. The Notice of Intent will outline documents Awardees will be required to return prior to the release of the Grant Agreement, including a completed direct deposit form.

Note: In the event that the Project Reinvest Award amount is less than the amount requested by Awardee in its original Project Reinvest Application, Awardee must affirm any changes to Project outputs that may result from the reduced Award with the documents returned with the Grant Agreement.

H. Grant Agreement Execution

Upon Award determination, Grantee will receive a Letter of Intent to Fund along with the standard Grant Agreement for signature. Awardee will have 30 days upon receipt of the Grant Agreement to sign and return the Agreement, along with required documentation, to NeighborWorks America. The terms and conditions outlined in the Grant Agreement will govern the disbursement and expenditure of any grant funds provided by NeighborWorks America to Awardee. All Awards should be considered conditional until the Grant Agreement is fully executed.

VIII. Timeline (Subject to Change) *NeighborWorks America reserves the right to make changes to this timeline, if necessary, at its sole discretion.*

ACTION	ANTICIPATED DATE (SUBJECT TO CHANGE)
A. NeighborWorks America Releases Funding Announcement	12/22/2016
B. Applications Open	01/17/2017
C. Webinar on Funding Opportunity	01/25/2017
D. Applications Due	03/02/2017 @ 8:00PM
E. Application Review Period	March – April 2017
F. Final Award Recommendations Finalized and Notice of Intent Sent	May 2017

IX. Disbursement Schedule

Following the successful acceptance of the documents requested in the Notice of Intent and execution of the Grant Agreement, NeighborWorks America will release an initial grant disbursement of:

- 35 percent of the Financial Capability Counseling/Coaching Award,
- 70 percent of the Program-Related Support Award, and
- 35 percent of the Operational Oversight Award (FC Intermediaries, HC Intermediaries and State HFAs only).

Please note that Awardees must meet compliance and grant eligibility requirements and be current on quarterly reports in order to receive each disbursement of grant funds.

When 25 percent of the Financial Capability services has been completed, Grantee will receive a disbursement of an additional 30 percent of the Financial Capability Counseling/Coaching Award, an additional 15 percent of the Program-related Support Award, and an additional 30 percent of the Operational Oversight Award.

When 60 percent of the Financial Capability services has been completed, Grantee will receive a disbursement of an additional 30 percent of the Financial Capability Counseling/Coaching Award, an additional 15 percent of the Program-related Support Award, and an additional 30 percent of the Operational Oversight Award.

When 100 percent of Financial Capability services has been completed and all reporting requirements are fulfilled, including submission of the final report, Grantee will receive a disbursement of the remaining five percent of the Financial Capability Counseling/Coaching Award, and the remaining five percent of the Operational Oversight Award.

For Grantees with a Matched Savings Award, the disbursement follows a schedule similar to that of the Financial Capability Counseling/Coaching Award. Upon execution of the Grant Agreement, 35 percent of the total Matched Savings grant Award is disbursed up-front, followed by two disbursements of an additional 30 percent and a final disbursement of 5 percent. These disbursements are also tied to the 'Total Financial Capability Services Required'. The table below outlines the disbursement schedule and production/progress requirements for each.

Please note that the proposed disbursement schedule is subject to change and the finalized disbursement plan will be outlined in the Grant Agreement provided to each Awardee.

	Initial Disbursement	Disbursement 2	Disbursement 3	Final Disbursement
	Percentage of Award per Disbursement			
Financial Capability Award Amount	35% of FC Award	30% of FC Award	30% of FC Award	Remaining 5% of FC Award
Operational Oversight Amount	35% of OO Award	30% of OO Award	30% of OO Award	Remaining 5% of FC Award
Program-Related Support Amount	70% of PRS Award	15% of PRS Award	15% of PRS Award	N/A
Matched Savings	35% of MS Award	30% of MS Award	30% of MS Award	Remaining 5% of MS Award
Total Financial Capability Services Required	N/A	25% of counseling/coaching units completed as determined by uploads to the DCS	60% of counseling/coaching units completed as determined by uploads to the DCS	100% of counseling/coaching units completed as determined by uploads to the DCS
Additional Requirements	None	On track with quarterly reports	On track with quarterly reports	Final report submitted and evaluation requirements fulfilled

	None	In compliance with terms of Grant Agreement	In compliance with terms of Grant Agreement	In compliance with terms of Grant Agreement
	None	None	None	All Financial Well-Being Measurement surveys must be uploaded in the DCS.

X. Quality Control and Compliance

A. General Compliance

Grantees will be monitored to ensure compliance with all terms, conditions and requirements of the Award. NeighborWorks America may employ onsite and/or remote compliance monitoring to determine Grantee compliance. Final compliance requirements will be included in the Grant Agreement, which will be released during the application period. Key compliance factors may include, but are not limited to, the below:

1. Appropriate management and use of funds;
2. Appropriate management of confidential information, including personally identifiable information;
3. Compliance with quality control and compliance measures conducted by NeighborWorks America staff and/or third-party contractors, which may include financial audit reviews, file audits, and other measures to determine if Grantee is compliant with requirements set forth in this Funding Announcement and the Grant Agreement;
4. Compliance with client file requirements to ensure Grantees are collecting the required documentation. Grantees will be required to provide the Project Reinvest: Financial Capability program client files for review upon request to ensure compliance with its Grant Agreement;
5. Compliance with all applicable state and federal laws, rules and regulations; and,
6. Maintenance of all necessary licenses.

B. Post-Award Compliance Requirements

Applicants must be in good standing with the Project Reinvest: Financial Capability program in order to have any awarded funds disbursed. An Applicant in “good standing” does not have a Notice of Default effective and is not currently suspended from the Project Reinvest: Financial Capability program.

1. Financial Package Requirement

Grantees must have completed an independent audit within nine months of the completion of their most recent fiscal year. NeighborWorks America will require Grantees to submit these audits beyond the Application period. Grantee will be required to send NeighborWorks America a complete updated audit package. As defined by NeighborWorks America, a complete audit packet includes audited financial statements, single-audit (if applicable), corrective action plan (if applicable), management letter (if issued), organizational responses to management letter (if applicable), and specific clarifying documentation NeighborWorks America may request based on the review of the complete audit package.

2. Insurance Requirement

Grantee must provide proof of fidelity bond coverage or an honesty insurance policy that names NeighborWorks America as additional insured. A Grantee's policy must be at least equal to the lesser of either (a) Grantee's Award amount or (b) \$100,000.

3. Records Retention Policy

In accordance with applicable law, Grantee must establish and comply with a records retention policy. Financial records, supporting documentation, statistical records, and all records pertinent to the grant Award shall be retained for a period of no less than three years from the date of submission of the final report for the Award. The only exceptions are the following:

- a. If any litigation, claim or audit is started before expiration of the three year period, the records shall be retained until the litigation, claims or audit findings involving the records have been resolved and final action taken.
- b. Records for real property and equipment acquired with the grant funds shall be retained for three years after final disposition.
- c. Notwithstanding the foregoing, or any other provision in the Grant Agreement, NeighborWorks America's and its authorized representatives', agents' and third-party contractors' rights to site, document and personnel access for evaluation purposes are not limited to the required retention period, but shall last as long as records are retained.

Grantee must have policies and procedures in place for the recovery of the destruction of program-related records as a result of a natural or man-made disaster.

4. Personally Identifying Information

Grantee must have policies to handle and dispose of clients' personal information in accordance with applicable laws and regulations.

5. Discrimination

NeighborWorks America will not permit discrimination by Grantees against clients on the basis of age, gender, race, color, religion, national origin, ancestry, creed, pregnancy, marital or parental status, familial status, sexual orientation, or physical, mental, emotional, or learning disability.

6. Privacy Agreement

Grantees must provide clients with a privacy agreement informing them of their disclosed personal information being shared with NeighborWorks America for the purposes of evaluation and program monitoring.

C. Reports

1. Quarterly Progress Reports (Requirements and Frequency)

All Grantees are required to submit detailed quarterly reports, detailing progress toward overall goals established under the Award. Quarterly reporting will be required until the Project has reached 100 percent completion. Reporting includes detailed questions regarding progress against aggregate counseling/coaching goals and includes a narrative section on overall Project activities, successes and challenges encountered, as well as a itemization of project expenditures. The table below shows the reporting deadlines for quarterly performance reporting.

Quarter/Report Number	Time Period Covered	Due Date
Quarter 1	Jun. 1, 2017-Sept. 30, 2017	Nov. 1, 2017
Quarter 2	Oct. 1, 2017-Dec. 31, 2017	Feb. 1, 2018
Quarter 3	Jan. 1, 2018-Mar. 30, 2018	May 1, 2018
Quarter 4	Apr. 1, 2018-Jun. 30, 2018	Aug. 1, 2018
Quarter 5	Jul. 1, 2018-Sept. 30, 2018	Nov. 1, 2018
Quarter 6	Oct. 1, 2018-Nov. 30, 2018	Jan. 1, 2019

2. Final Report

A final report is due no later than 45 days after the end of the grant's Performance Period and includes the same items as the quarterly report as well as a revenue and expenditure report. FC Intermediaries, HC Intermediaries and State HFAs are required to collect and maintain on file expenditure reports from Sub-grantees, Branches or Affiliates.

XI. Suspension, De-obligation of Grant Funds, and Termination

Grantees will be subject to the policies and procedures outlined in the Events of Default and Remedies Policy, which is outlined in detail in the Grant Agreement. The Events of Default and Remedies Policy details the conditions that may result in suspension, recapture, or de-obligation of funds. The policy describes the method in which compliance requirements are conveyed and what resources are available to help Grantees understand the requirements, the general process governing the handling of events of default, how NeighborWorks America responds to reports of non-compliance or financial management concerns that can become events of default if not remedied, and the appeals process afforded to Grantees. NeighborWorks America will provide support to Grantees to help them understand all compliance requirements. Any funds de-obligated or recaptured shall be reallocated to existing Grantees.

XII. Funding Announcement Exhibits

To access the Funding Announcement Exhibits, visit:

www.neighborworks.org/projectreinvestfinancialcapability

- Exhibit A: Sample Action Plan
- Exhibit B: List of Acknowledgments
- Exhibit C: Required Data Points
- Exhibit D: The Financial Well-Being Scale, developed by the Consumer Financial Protection Bureau
- Exhibit E: Sample Budget
- Exhibit F: Sample Client Authorization Form
- Exhibit G: Sample Privacy Policy

XIII. Other Related Documents

The following documents will be available **at the time of Application release** at:

www.neighborworks.org/projectreinvestfinancialcapability

- Application Workbook
- Project Reinvest: Financial Capability - Application Guide
- Project Reinvest: Financial Capability - Areas of Greatest and Extraordinary Need
- Project Reinvest: Financial Capability - Frequently Asked Questions
- NeighborWorks America Grants Portal User Guide