



To: Ken Wade, Eileen Fitzgerald, Michael Forster, Jeffrey Bryson

From: Frederick Udochi

cc: Jeanne Fekade-Sellassie, Mia Bowman, [REDACTED] (Internal Audit Consultant), ,

Date: August 19, 2008

Subject: Audit Review: NFMC Program Design, Scoring and Funding Recommendations

Within the context of the Internal Audit Plan for the National Foreclosure Mitigation Counseling (NFMC) Program, please find below an Internal Audit report pertinent to the Program Design, Scoring and Funding Recommendations project. Please review and let me know if you have any comments or questions. Thank you.

Executive Summary

Audit Review of NFMC Program Design, Scoring and Funding Recommendations

Business Function and Responsibility

NFMC Project Team

Report Date

July 25, 2008

Period Covered:

January – February
2008

Assessment of Internal Control Structure

Effectiveness and efficiency
of operations

*Generally effective.*¹
Recommendations in specific
areas are noted below.

Compliance with
Applicable Laws and
Regulations

Generally effective.

This report was conducted
in accordance with the
*International Standards for
the Professional Practice of
Internal Auditing.*


¹ **Legend for Assessment of Internal control Structure:** **1. Generally Effective:** The level and quality of the process is satisfactory. Some areas still need improvement. **2. Inadequate:** Level and quality of the process is insufficient for the processes or functions examined, and require improvement in several areas. **3. Significant Weakness:** Level and quality of internal controls for the processes and functions reviewed are very low. Significant internal control improvements need to be made.


Summary of Observations and Recommendations²:

Summarized Observation; Risk Rating	Management Agreement with Observation (Yes/ No)	Internal Audit Recommendation	Management Accepts IA Recommendation (Yes/ No)	Management’s Response to IA Recommendation	Estimated Date of Implementation	Internal Audit Comments on Management Response
<p>1. Legislation requires that assistance is to be provided to only homeowners of owner occupied single family homes. Though this is mentioned in the Funding Announcement description of target clients, there is no specific guidance on this condition either in the Funding Announcement, grant application materials, client data requirements or grant agreements.</p> <p>Risk rating: ██████████</p>	<p>Yes.</p>	<p>It is recommended that management actively monitor the ex-post reporting produced by the quality control function to confirm adherence to this condition. Moreover, to the extent that legislation for the next round of funding (“American Housing Rescue and Foreclosure Prevention Act,” H.R. 3221) includes a similar requirement, we recommend that ex-ante measures be employed to ensure that this requirement is met.</p>	<p>No.</p>	<p>This requirement was specifically mentioned in the funding announcement and reinforced in all briefings with eligible applicants – both orally and in the power point presentation and overview of the legislative language.</p> <p>As part of the quality control and compliance monitoring agreed-upon procedures with the vendor, confirmations will be sent to a sampling of clients from each grantee organization which will, among other things, ask client to confirm that they were owner-occupants of the home for which they were seeking foreclosure counseling at the time of counseling. This is already incorporated into the engagement letter with the vender.</p> <p>We will reinforce this requirement in the grant agreement for NFMC Round 2.</p>	<p>The confirmations are already a part of the quality control and compliance monitoring, which has already commenced.</p> <p>NFMC Round 2 grant agreements will be issued in late November or early December 2008.</p>	<p>We do recognize that NFMC management has indicated to incorporate the monitoring (detective / ex-post) measure into the quality control and compliance program subsequent to our one-time meeting on this topic on 08 August and look forward to its implementation. We have also taken into consideration management’s response to Recommendation 2, where management will</p>

² The observations and recommendations in this section are summarized at a high level for informational purposes. To obtain a full, detailed explanation of each, please refer to the “Observations and Recommendations” section. Management’s response is directly related to the detailed observations and recommendations noted in the “Observations and Recommendations” section.

				<p>We disagree with implementing this recommendation. Internal Audit states, “ we recommend that ex-ante measures be employed (e.g., requiring response to mailings at the address of interest, call for grantees to request written certifications from each and every customer, at time of service, attesting to their residency at the property).” The grantees are already challenged with the cost of providing counseling in an environment where it often takes multiple calls to servicers to resolve a homeowner’s situation. The only truly accurate method of ensuring owner-occupation is to visit the home.</p>		<p>affect this at a global, grantee (and sub-grantee / branch) levels with client samples that are sufficient and appropriate for the rendering of judgment at each level. On these grounds, Internal Audit accepts management response as proposed.</p>
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Summarized Observation; Risk Rating	Management Agreement with Observation (Yes/ No)	Internal Audit Recommendation	Management Accepts IA Recommendation (Yes/ No)	Management's Response to IA Recommendation	Estimated Date of Implementation	Internal Audit Comments on Management Response
<p>2. We observed that the program design did not call for gauging the quality of service rendered from the standpoint of the customer (homeowner) at the time that such services were rendered.</p> <p>Risk rating: </p>	<p>Yes.</p>	<p>We recommend that the quality control function cover a sufficiently representative sample of customers so as to gauge the quality of counseling services received, from the perspective of the homeowners. The periodic reporting should allow for conclusions both at a global and grantee level, to allow for handling of exceptions, accordingly. Modifications to the design at this stage could be incorporated in the Quality Control work stream to survey a limited number of customers in an ex-post context.</p>	<p>Yes</p>	<p>As part of the quality control and compliance monitoring agreed-upon procedures with the vendor, confirmations will be sent to a sampling of clients from each grantee organization which will include a customer satisfaction survey which was developed by NFMC in collaboration with Success Measures. This is already incorporated into the engagement letter with the vender.</p>	<p>Surveys will be sent to homeowners throughout the grant period, but the majority are expected to be sent and returned before February 2009 so there is adequate time to evaluate.</p>	<p>Internal Audit accepts management's response.</p>

Summarized Observation; Risk Rating	Management Agreement with Observation (Yes/ No)	Internal Audit Recommendation	Management Accepts IA Recommendation (Yes/ No)	Management's Response to IA Recommendation	Estimated Date of Implementation	Internal Audit Comments on Management Response
<p>3. We observed that a number of the scoring teams performed their funding assessments as a team, without recording recommendations of each individual reviewer. As a result, in some instances, the allocation of recommended increases though documented from a group score was not entirely documented with individual scores.</p> <p>Risk rating: </p>	No.	We recommend that the funding recommendations of each individual reviewer be recorded for each application in order to facilitate a tighter relationship between scores and resulting funding. This should be applied in the anticipated next round of NFMC program funding in order to avoid gaps in the audit trail surrounding funding recommendations by the review teams	Yes.	<p>While individual reviewers did not record funding amounts in GrantWorks, they did record their recommended funding amounts in Excel Spreadsheets they submitted to their team leads prior to the concurrence calls. Team Leads were instructed to enter the team recommendation into GrantWorks. Some reviewers did this as well, but they were not instructed to do so; instead, they were instructed to include their recommendation in the Excel Spreadsheets.</p> <p>For Round 2, we have already programmed GrantWorks to require reviewers to enter their individual award recommendations.</p>	This function has already been programmed into GrantWorks and reviewers for Round 2 will be asked to individually record their scores in the system when they review grant applications in October 2008.	Given that the intent of this recommendation was to improve the transparency around recommended increases agreed upon by the team and its members, management's implementation of this measure will be very helpful, along with more precise formulaic relationships between application reviewer scores and the initial reviewer recommendations. Internal Audit accepts management's response.

Risk Rating Legend:

Risk Rating: **HIGH**

A serious weakness which significantly impacts the Corporation from achieving its corporate objectives, financial results, statutory obligations or that may otherwise impair the Corporation’s reputation.

Risk Rating: **MODERATE**

A control weakness which could potentially undermine the effectiveness of the existing system of internal controls and/or operational efficiency, integrity of reporting and should therefore be addressed.

Risk Rating: **LOW**

A weakness identified which does not seriously detract from the system of internal control and or operational effectiveness/efficiency, integrity of reporting but which should nonetheless be addressed by management.

Management Response to Audit Review Recommendations NFMC Program Design, Scoring and Funding Recommendations		
# Of Responses	Response	Recommendation #
2	Agreement with the recommendation(s)	#2, #3
1	Disagreement with the recommendation(s)	#1

I. Executive Summary

There were no observations noted during the course of this audit that would indicate that the NFMC program design consists of any major departures from the requirements of the legislation or that it is fundamentally unsound. Moreover, execution of the application review process was largely in accordance with the program design. As a basis for supporting context, the audit also recognized the significant time constraints (60 calendar days) to which the NFMC team was subjected in designing the program and recommending the first round of grant awards.

II. Objective

In broad terms, the objectives of the audit were to:

- Confirm the appropriateness of the design of the NFMC program in its compliance with legislation requirements;
- Assess the execution of the application review and funding recommendations process and the transparency of resulting decisions;

III. Scope

The scope of the audit was limited in that:

- The program design was assessed primarily in terms of its compliance with legislation requirements; and
- The application review was assessed in terms of its adherence to program design requirements.

IV. Background

On 26 December 2007, the United States Congress appropriated \$180 million for the NFMC Program to rapidly alleviate the foreclosure crisis currently underway the nation³. Congress selected NeighborWorks® America to administer the program and established a number of requirements within the legislation.

At least \$167.8 million of the amount appropriated is to be awarded through a competitive grant process. Furthermore, the legislation stipulated that NeighborWorks® America was to award \$50 million of the amount appropriated within 60 days of its enactment, creating an especially ambitious challenge to the organization. Also included among the requirements is that grants be targeted to states and areas with high rates of defaults and foreclosures (primarily in the sub-prime housing market) or to approved intermediaries, based on a geographic analysis of where there is prevalence of sub-prime mortgages that are risky and likely to fail, including mortgage trends. Moreover, assistance would be limited to only homeowners of owner-occupied homes with mortgages in default or danger of default.

³ Appropriation labeled HR 2764 and referred to as the "Consolidated Appropriations Act, 2008".

On 25 January 2008, NeighborWorks® America's NFMC Program team published a Final Funding Announcement on the NFMC external internet web site to describe program activities and define requirements for prospective participants and applicants for funding. The application materials were placed on GrantWorks®⁴ and the defined deadline for application was 08 February 2008 (8:00 p.m.)

On 26 February 2008 (within the 60 day stipulated timeframe), NeighborWorks® America announced that it had granted \$130.8 million in grants to 130 organizations, comprised of 16 HUD-approved housing counseling intermediaries, 32 state housing finance agencies and 82 NeighborWorks® organizations (NWOs)⁵.

In order to provide some guidance to the following sections of this report please take note of the following: Section V. Audit Observations includes our observations which have resulted in internal audit recommendations. Section VI is a listing of internal audit recommendations while Section VII provides our opinions on relevant aspects of the program design, legislation and program requirements.

V. AUDIT OBSERVATIONS

1. Beneficiaries' / Owner-Occupancy

The legislation states that assistance is to be provided to only homeowners of owner-occupied single-family homes. This requirement is mentioned in the Funding Announcement's description of target clients⁶. Beyond this, however, there is no specific guidance on this condition, either in the Funding Announcement, the grant application materials, client data requirements or the grant agreements.

Based on this review the NFMC program team currently plans to incorporate this element into its quality control and compliance monitoring activities in order to gauge adherence to the owner-occupancy condition. Sample grant awardees selected would also have to provide assurances that this condition is satisfied for all its customers serviced. This may also be supplemented by an additional related question in the surveys to be sent to the customers selected.

2. Potential Impact and Quality of Service

We observed that the program design did not call for gauging the quality of service rendered from the standpoint of the customer (homeowner) at the time that such services were rendered. Feedback from a control standpoint facilitates refinements to a system and eventual quality control. Since 130 organizations will be delivering the NFMC services, each with different management teams and potentially varying approaches to counseling,

⁴ GrantWorks is an online tool, which allows NeighborWorks® applicants to submit their grant applications and electronic files for review. Reviews and approvals by NeighborWorks® staff and management are noted in the system, along with other documentation such as the Grant Award Letter.

⁵ News Release, "\$130 Million Awarded Through NFMC Program," NeighborWorks® America, 26 February 2008

⁶ Ibid, page 1.

it would be important to identify potential differences between them in this performance dimension.

3. Refinements to Reviewer Recommendation Scoring

Our examination of individual reviewer counseling recommendations was somewhat limited by the fact that many of the teams performed their funding assessments as a team, without recording recommendations of each individual reviewer. As a result in a number of instances the allocation of recommended increases though documented from a group score was not entirely documented with individual scores. However there was a surprising level of agreement (correlation > 0.96 for all three comparisons) on funding of counseling for those reviewers that did record their recommendations separately. As a result we did not note any significant variances but do observe the need to fully document all scoring. Beyond this, it should be noted that the two subsequent cuts performed on all applications were performed as expected and transparently.

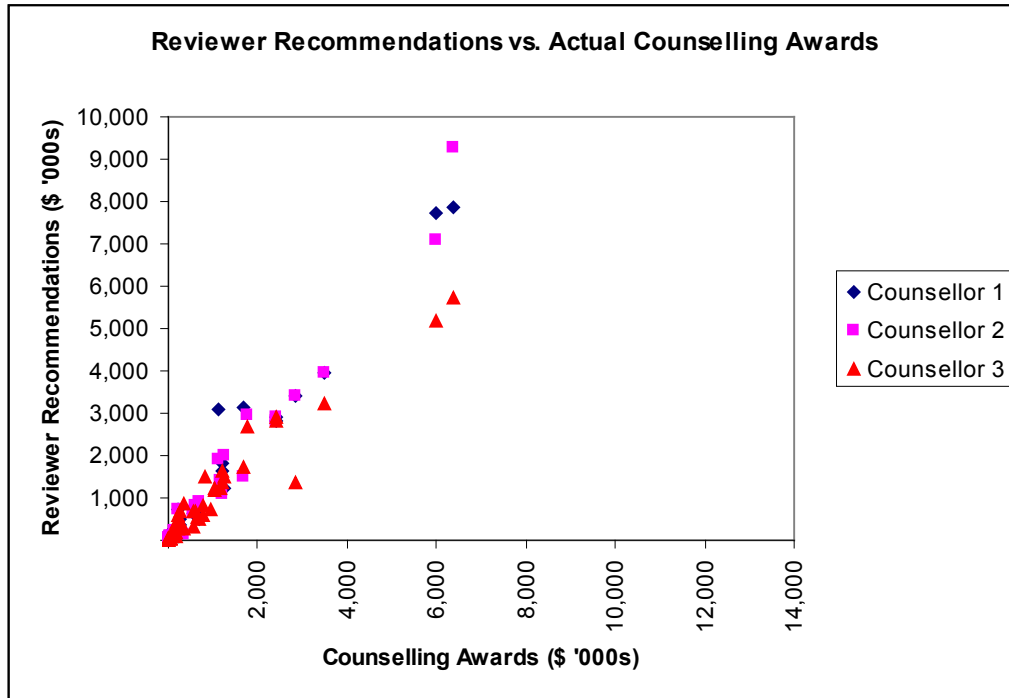


Figure 1 - Reviewer Recommendations vs. Counseling Awards Provided

The patterns were very similar across reviewers, as follows:

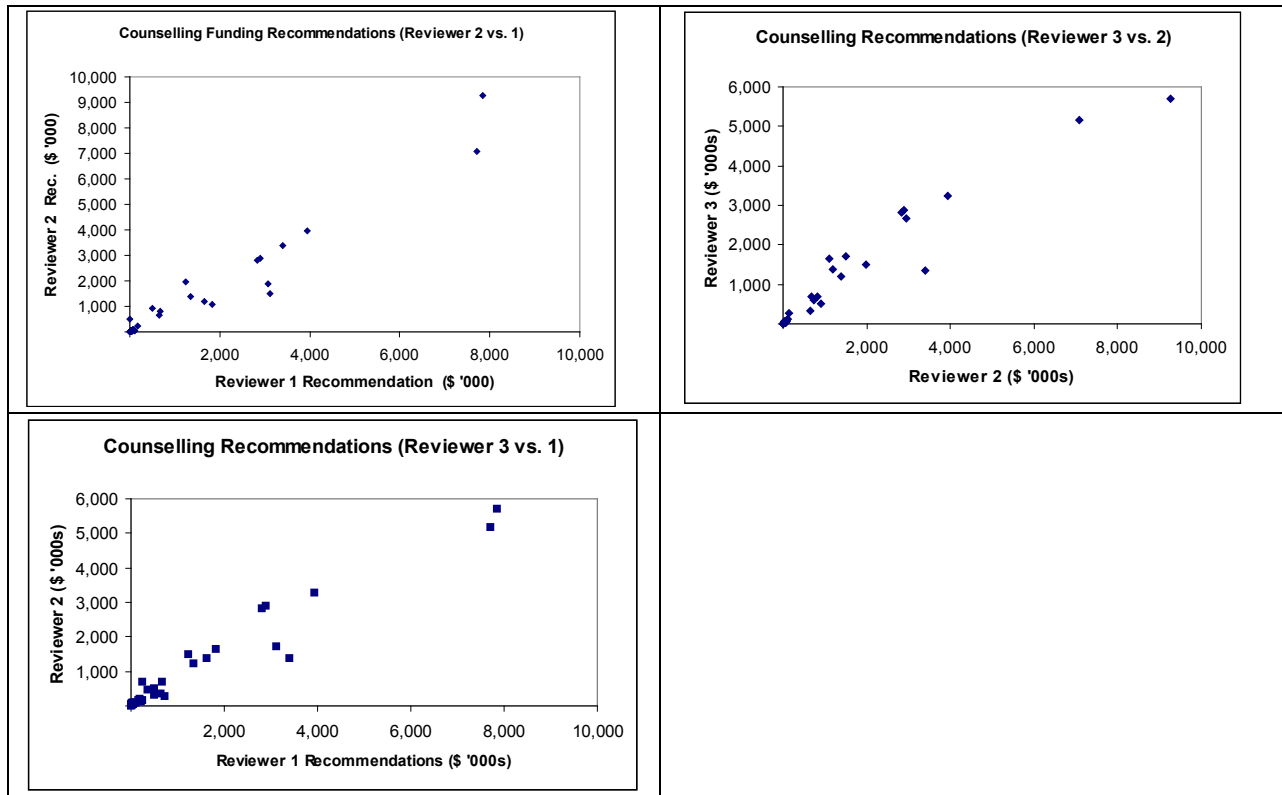


Figure 2 - Funding Recommendations (Comparisons across Reviewers)

Correlations > 0.96 for all 3 sets of reviewers

VI. Recommendations

1. Owner-Occupancy

Legislation requires that only homeowners of owner-occupied homes at risk benefit directly from the NFMC program and since the design of the program does not currently include clear preventive (*ex-ante*) features to ensure that this condition is met we recommend that management actively monitor the *ex-post* reporting produced by the quality control function to confirm adherence to this condition. Moreover, to the extent that legislation for the next round of funding (“American Housing Rescue and Foreclosure Prevention Act,” H.R. 3221) includes a similar requirement, we recommend that *ex-ante* measures be employed (e.g., requiring response to mailings at the address of interest, call for grantees to request written certifications from each and every customer, at time of service, attesting to their residency at the property in question to help ensure that this requirement is satisfied).

2. Potential Impact and Quality of Service

We recommend that the quality control function cover a sufficiently representative sample of customers so as to gauge the quality of counseling services received, from the perspective of the homeowners. The periodic reporting should allow for conclusions both at a global and grantee level, to allow for handling of exceptions, accordingly. Modifications to the design at this stage could be incorporated in the Quality Control work stream to survey a limited number of customers in an ex-post context.

3. Refinements to Reviewer Recommendation Scoring

We recommend that the funding recommendations of each individual reviewer be recorded for each application in order to facilitate a tighter relationship between scores and resulting funding. This should be applied in the anticipated next round of NFMF program funding in order to avoid gaps in the audit trail surrounding funding recommendations by the review teams.

VII. GENERAL OBSERVATIONS

General observations have been categorized between those topics most relevant to the design aspects of the NFMF program and that of the application review process, versus aspects pertinent to the actual execution of the evaluation of the grant applications subsequently received and funding recommendations.

A. DESIGN ASPECTS

The program design is largely reflected in the Final Funding Announcement. Additional criteria are covered in the application Reviewer Manual (including its Scoring Rubric) and General Guidance materials to review teams that facilitate the formulation of their initial funding recommendations for counseling awards, program-related support and match waiver amounts.

Coverage of the Legislation Requirements by the program design is reflected in Attachment A. Selected aspects follow:

1. Potential Grantees / Awardees

The legislation allows for NeighborWorks® America to distribute grants to only:

- Counseling intermediaries approved by HUD or NeighborWorks® America; or
- State Housing Finance Agencies.

The program design covers this requirement in the Final Funding Announcement by defining the eligibility of applicants in this regard⁷.

2. Match Requirements

The legislation states that match requirements for NeighborWorks® America approved intermediaries is to be determined by NWA (or waived), based on affordability and economic conditions of the area. The design of the program leverages this authority established by defining both the nature and quantitative aspects surrounding match requirements, as well as the timing of its application⁸. Specifically, applicants were required to match 20% of the first \$500,000 in proposed NFMC funding and then 10% of any funding beyond that amount⁹.

3. Geographic Allocation

Building upon the legislation requirements¹⁰, the NFMC program team sought out to clearly define the geographic framework within which the allocation of grants would be made.

The program design achieved this by formulating the concept of “Areas of Greatest Need” (AGN). As discussed in the Final Funding Announcement¹¹, areas of greatest need were defined by ranking metropolitan and micropolitan areas in each of the four following criteria:

- The number of sub-prime delinquent loans (30-90 days);
- The percentage of sub-prime loans delinquent (30-90 days);
- The percentage of sub-prime loans in the foreclosure process or REO; and
- The percentage of all loans which are sub-prime.

The NFMC project team gathered statistical foreclosure data from various sources and analyzed the attributes of each geographic region. Every metropolitan area that fell in the top quintile for at least one of the above criteria was labeled as an area of greatest need. This produced a list of 192 metropolitan areas. States where half or more of the micropolitan areas met at least one of the above criterion were also classified as areas of greatest need, yielding 29 of the 48 states with rural areas. These results are graphically depicted through geographic categorizations superimposed on maps of the United States¹².

⁷ Ibid, pp. 6-8.

⁸ Ibid, page 11.

⁹ Ibid, page 6.

¹⁰ Attachment A, Legislation Requirements, “Geographic Allocation”

¹¹ Final Funding Announcement, Exhibit 1, page 21

¹² NFMC Final Funding Announcement, page 26.

4. Counseling Content

The scope of work to be performed by prospective awardees is described in the Final Funding Announcement¹³. This spells out both the counseling activities to be performed as well as activities to support ramp-up and monitoring of the program.

- “Level One” counseling would comprise intake of customer information, the collection of signed authorization forms to open customer files and pull credit records, the formulation of a budget based on the customer’s oral representations and development of a written action plan to be undertaken by the client.
- “Level Two” counseling involves budget verification and (inter-alia) steps towards a solution, including communications with servicers/lenders and possibly documentation leading to a work-out plan, loan modification or other available program, followed by completion of close-out documentation.
- “Level Three” counseling is simply the alternative provision of the equivalent of “Level One” and “Level Two” services combined, by the same grantee and for the same customer.

The descriptions are supplemented by National Industry Standards, included in the Funding Announcement¹⁴.

5. Timing of Awards

NWA was required by the legislation to award at least \$50 million within 60 days. This was covered in the program design¹⁵. NWA exceeded satisfaction of this requirement on 24 February 2008. Additional funds are to be awarded based on their need and grantee capacity to employ them.

6. Allocation to NWA Charter Members

The legislation allowed NWA to grant up to 15% of total funding (within the same 60 days) to NWA charter members. This is specified in the program design¹⁶ and was also satisfied by the actual determination of grants awarded; the final allocation to NWA Charter members was 8.7%.

7. Outreach

The legislation allows for funding of outreach and advertising activities, as determined by NWA. This is specified in the program design¹⁷

8. Demonstrated Experience

¹³ (a) NFMC Final Funding Announcement, “Purpose of Funding,” page 1; (b) Ibid, “Eligible Activities – Counseling,” pp 8-10.

¹⁴ Final Funding Announcement, Exhibit 5, pp. 33-41, referencing National Industry Standards for Homeownership Counseling – Foreclosure Intervention Specialty

¹⁵ NFMC Final Funding Announcement, “Funding Available,” page 2.

¹⁶ Ibid, “Funding Available,” page 3.

¹⁷ NFMC Final Funding Announcement, “Eligible Activities – Program-Related Support”, page 10

Similarly, the legislation requires that Counseling entities have (a) demonstrated experience in successfully working with financial institutions and borrowers facing default, delinquency and foreclosure, (b) documented counseling capacity, (c) past successful performance and positive outcomes with documented counseling plans, including (i) post-mortgage foreclosure mitigation counseling, (ii) loan workout agreements and (iii) loan modification agreements.

The program design arguably addresses this requirement by defining the requirements for demonstrated experience¹⁸ the Final Funding Announcement / Definitions section (pp. 3-4). It requires that applicants certify that they satisfy three general conditions:

- That applicants had worked successfully in the past with financial institutions and servicers, as well as with customers facing default, delinquency and foreclosure;
- That they have documented counseling capacity, outreach capacity, past successful performance and positive outcomes with documented counseling (including foreclosure) plans, loan workout and loan modification agreements;
- That they serviced minimum levels of customers in the past, depending on the level of training of counselors and the percentage of service provided by the applicants in rural areas (see reference for details).

9. Application Review Criteria

As a part of the Final Funding Announcement, the NFMC program team published a set of key Application Rating Factors¹⁹ that would be employed to evaluate the grant applications, including:

- Capacity of Applicant and Relevant Staff;
- Areas of Greatest Need;
- Scope of Proposed Counseling Services;
- Satisfaction of Match Requirements; and
- Measuring Results and Program Evaluation

Furthermore and building upon the above, the team developed an Application Reviewer's Manual²⁰ with two sets of scoring rubrics; one for evaluating NWOs and the other for Intermediaries and State HFAs. These rubrics were designed to provide a framework for evaluating the applications in a uniform manner across reviewers.

A comparative breakdown between these two evaluation models is provided in Attachment C, titled "Application Review Variables." As can be seen, the two models are similar, but with differences in their inherent details. Both systems employ a combination of compensatory and non-compensatory evaluation, where compensatory factors (e.g., the quality of Scope of Proposed Counseling Services) allow for scoring and high scores to offset low scores while failure to satisfy non-compensatory factors (e.g., Applicant Certifications) would result in disqualification from further consideration of the application.

¹⁸ Ibid, pp 3-4.

¹⁹ Ibid, pp 18-20.

²⁰ Reviewer Manual, NFMC Program, February 2008

The maximum total number of points assignable to compensatory factors is different (45 for Intermediary and State HFAs and 39 for NWO applications) and the titles employed for some of the key factors vary between the two (e.g., Areas of Greatest Need is referred to as “Factor 2” in the evaluation model for Intermediaries / State HFAs but as “Factor 3” in the NWO model. More importantly, the number of questions asked of the applicants varies between the two types of applications and, similarly, the number of underlying evaluation considerations requested of the application reviewers also varies between the two versions.

The design of the system allowed for the capture of observations and scores from each reviewer independently. This review information was to be maintained in GrantWorks®. Moreover, to support transparency, the process required that reviewers perform their assessments based only on information included on the applications, ignoring any separate information that the reviewers might know about the applicants.

We observed that neither the Application Rating Factors nor the scoring rubrics (core elements of the design model) developed are inconsistent with the requirements of the legislation.

10. Funding Recommendation Guidance

Reviewers were provided guidance to support their funding recommendations. Each applicant was rated, based on a combination of its recent historical level of service to customers (referred to as “Level of Experience”) and its scores, to determine an increase in the level of activity to be supported by the NFMC program, across the various services (Levels 1 through 3).

The General Guidance provided to reviewers for NWOs was as follows:

Range of Average Total Score	Increase in Counseling Goals Should Not Exceed:
20 – 23	0%
24 – 27	100%
28 – 31	300%
32 – 35	500%
36 or greater	Rate Requested by Applicant

Similarly, the corresponding Guidance ranges for Intermediaries and HFAs were as follows:

Range of Average Total Score (Excluding Factor 6)	Increase in Counseling Goals Should Not Exceed:
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23 – 29	0%
30 – 33	100%
34 – 37	300%
38 – 41	500%
42 or greater	Rate Requested by Applicant

The maximum amount of growth (as measured in counseling units for each of the three levels) would determine the counseling units that would be assigned to each of the applicants and, in turn, the level of funding.

11. Grant Recapture Provisions

As a stop-gap measure, NFMC incorporates grant recapture provisions to allow funds originally allocated to grantees that prove to be non-compliant to be re-allocated. A subsequent internal audit project will be scheduled to review the effectiveness of this aspect of the program design.

B. EXECUTION OF APPLICATION REVIEWS

Just as important as the design of the Application Review process is its operating effectiveness during the execution.

The Application Review team included a large percentage (2:1) of external (vs. internal reviewers), experienced in public housing policy issues and initiatives. Each application was scored by each reviewer independently; and, for many (but not all) applications, corresponding funding recommendations were captured for each and every reviewer that assessed that given application. Concurrence calls were later held by each team to determine funding to be allocated to each grantee.

1. Application and Award Statistics

The size of funding requested by applications varied quite widely and ranged up to almost \$96 million (with the largest figure sought by the [REDACTED]); the median request amount was for \$198,000.

The distribution of the grant awards can be summarized as follows:

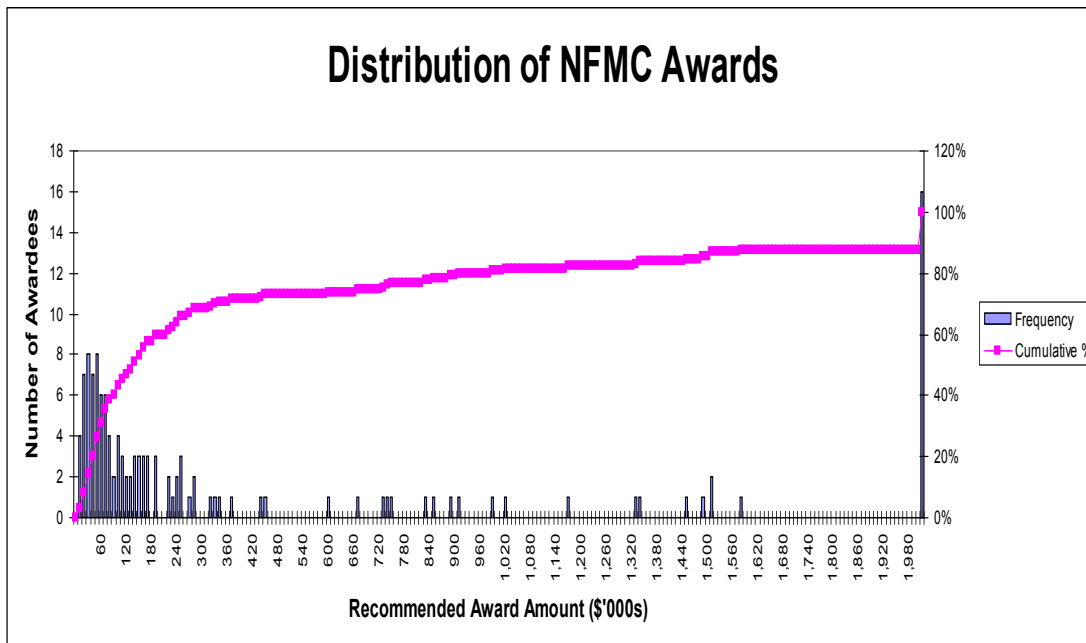


Figure 3 - Distribution of NFMC Grants Awarded

There was also a wide degree of variability in the grant amounts awarded, ranging from \$10,000 to \$15,000,000, with a highly skewed distribution. However, the median grant amount was \$110,000 (roughly 56% of the median application amount).

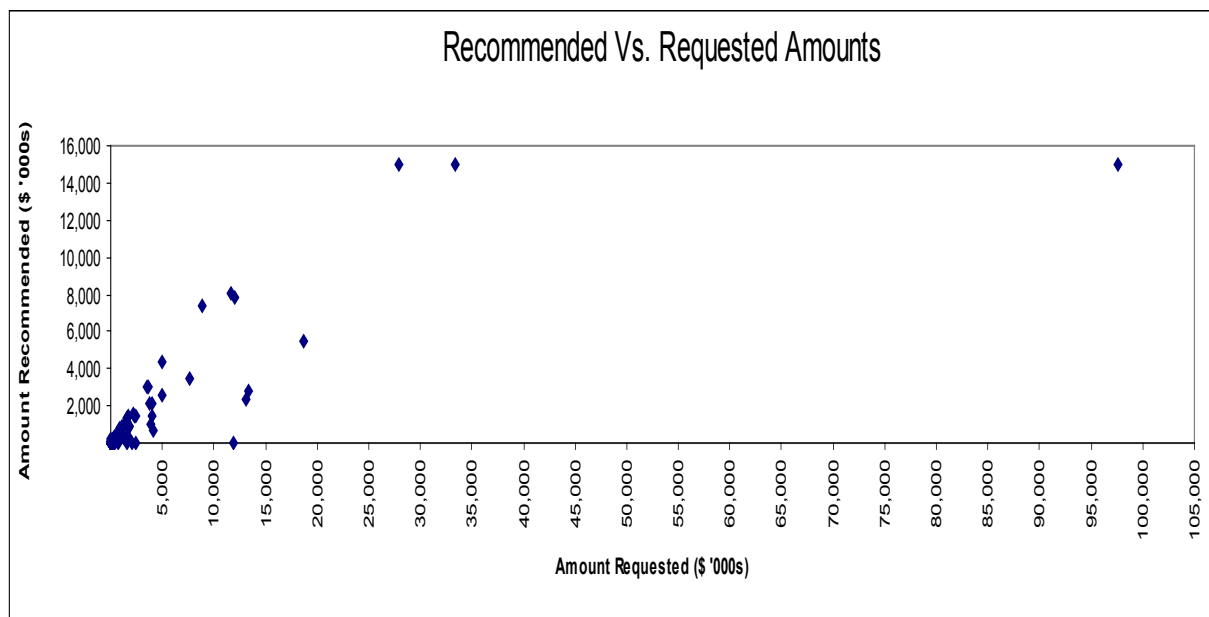


Figure 4 - A comparison of NFMC funding awarded to that requested by applicants

2. Audit Sample

Since each application involved a significant level of paperwork, a sampled approach was employed to support the assessment of the operating effectiveness of the application review process. To this end, a sample of 32 applications was extracted from the population of 156 applications received for NFMC funding.

The attributes of this sample largely mirror that of the population, as shown below, and are therefore considered sufficiently representative of the applications received. Of the 32 applications in the sample, 28 were drawn randomly and four were selected by auditor judgment²¹. See Figure 3 below.

Random Number	Selected Applicant	Funded	Debriefing Requested	% in Areas of Greatest Need	Total Grant Amount
[REDACTED]	[REDACTED]	Y	Y	73.6%	2,390,422
[REDACTED]	[REDACTED]	Y	N	0.0%	24,204
[REDACTED]	[REDACTED]	Y	Y	100.0%	107,277
[REDACTED]	[REDACTED]	Y	N	0.0%	729,851
[REDACTED]	[REDACTED]	Y	Y	100.0%	661,916
[REDACTED]	[REDACTED]	N	N	0.0%	0
[REDACTED]	[REDACTED]	Y	N	100.0%	184,742
[REDACTED]	[REDACTED]	Y	N	0.0%	262,004
[REDACTED]	[REDACTED]	Y	N	0.0%	10,000
[REDACTED]	[REDACTED]	N	N	0.0%	0
[REDACTED]	[REDACTED]	Y	N	0.0%	984,523
[REDACTED]	[REDACTED]	Y	N	100.0%	135,652
[REDACTED]	[REDACTED]	Y	N	100.0%	2,122,615
[REDACTED]	[REDACTED]	Y	N	0.0%	54,233
[REDACTED]	[REDACTED]	Y	Y	52.2%	15,000,000
[REDACTED]	[REDACTED]	Y	N	100.0%	79,786
[REDACTED]	[REDACTED]	Y	N	0.0%	3,485,573
[REDACTED]	[REDACTED]	Y	N	0.0%	167,462
[REDACTED]	[REDACTED]	Y	N	100.0%	46,140
[REDACTED]	[REDACTED]	Y	N	0.0%	77,162
[REDACTED]	[REDACTED]	Y	Y	83.9%	15,000,000
[REDACTED]	[REDACTED]	Y	N	0.0%	151,852
[REDACTED]	[REDACTED]	Y	N	0.0%	315,652
[REDACTED]	[REDACTED]	Y	Y	0.0%	62,965
[REDACTED]	[REDACTED]	Y	N	100.0%	65,954
[REDACTED]	[REDACTED]	Y	N	0.0%	10,000
[REDACTED]	[REDACTED]	Y	N	0.0%	41,062
[REDACTED]	[REDACTED]	Y	N	0.0%	34,866
[REDACTED]	[REDACTED]	Y	N	100.0%	101,458
[REDACTED]	[REDACTED]	N	Y	0.0%	0
[REDACTED]	[REDACTED]	Y	Y	100.0%	2,746,828
[REDACTED]	[REDACTED]	Y	Y	0.0%	2,092,601
Totals		3	9		47,146,800
Minimum					0
Median					121,465
Maximum					15,000,000
Mean		10.0%	30.0%	37.8%	1,473,338

Figure 5 - Sample of Applications Selected for Review

²¹ The methodology employed for the statistical sampling is documented in Attachment B.

Attribute	Sample	Population
Percent of Applications Not Funded	10.0%	15.4%
% For Which Debriefing Requested	30.0%	19.9%
Average % in Areas of Greatest Need	37.8%	38.3%
Minimum Amount Assigned	0	0
Minimum Grant Amount Approved	10,000	10,000
Maximum Grant Amount Approved	15,000,000	15,000,000
Median of Grant Amounts	121,465	110,000
Mean of Grant Amounts	1,473,338	902,151
Total of Grant Amounts	47,146,800	130,811,852

Figure 6 - Comparison of Sample to Application Population Attributes

3. Scoring of Applications

The following observations were made in connection with scoring assigned to the applications:

- **Reasonableness and Transparency of Scores:** The scores assigned to the sample applications did not appear to be inherently unreasonable based on the qualitative characteristics of the sample applications.
- **Consistency of Scores with Scoring Rubric:** The computations performed to produce the scoring appear to be sound. Furthermore, tabulations of scores for two of the sample applications (one intermediary and one NWA network member)²² were double-checked across all factors / reviewers and the results agreed with the scores assigned to the respective applications.
- **Consistency in Scoring Across Applications and Reviewers:** There was no obvious bias in scoring across applications for any given reviewer. Moreover, scores between reviewers, across the entire population of applications, were generally in alignment (with correlations ranging between 0.82 and 0.88); comparisons between scores assigned for all applications and between the different sets of reviewers appear below.

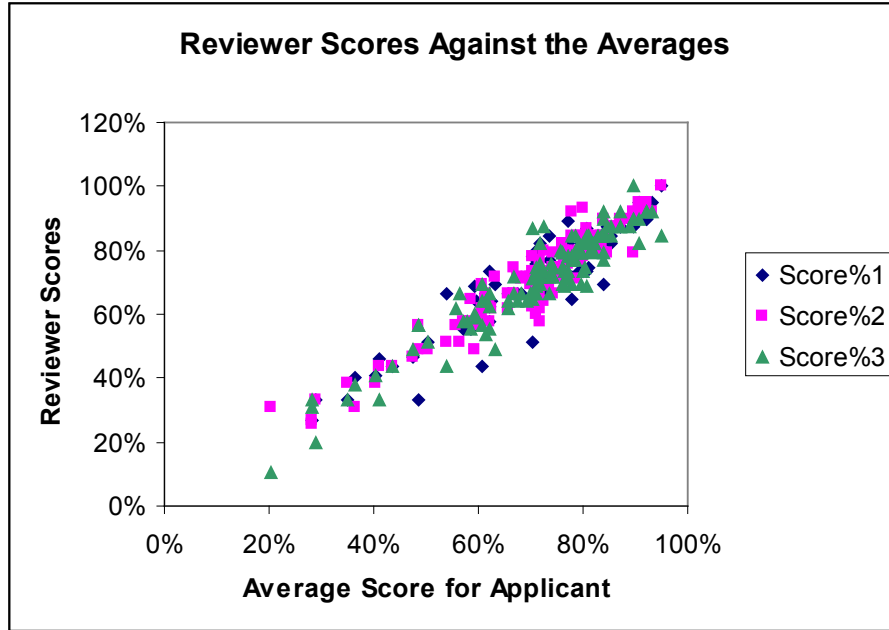


Figure 5 – Consistency: Individual Reviewer Scores Vs. Averages

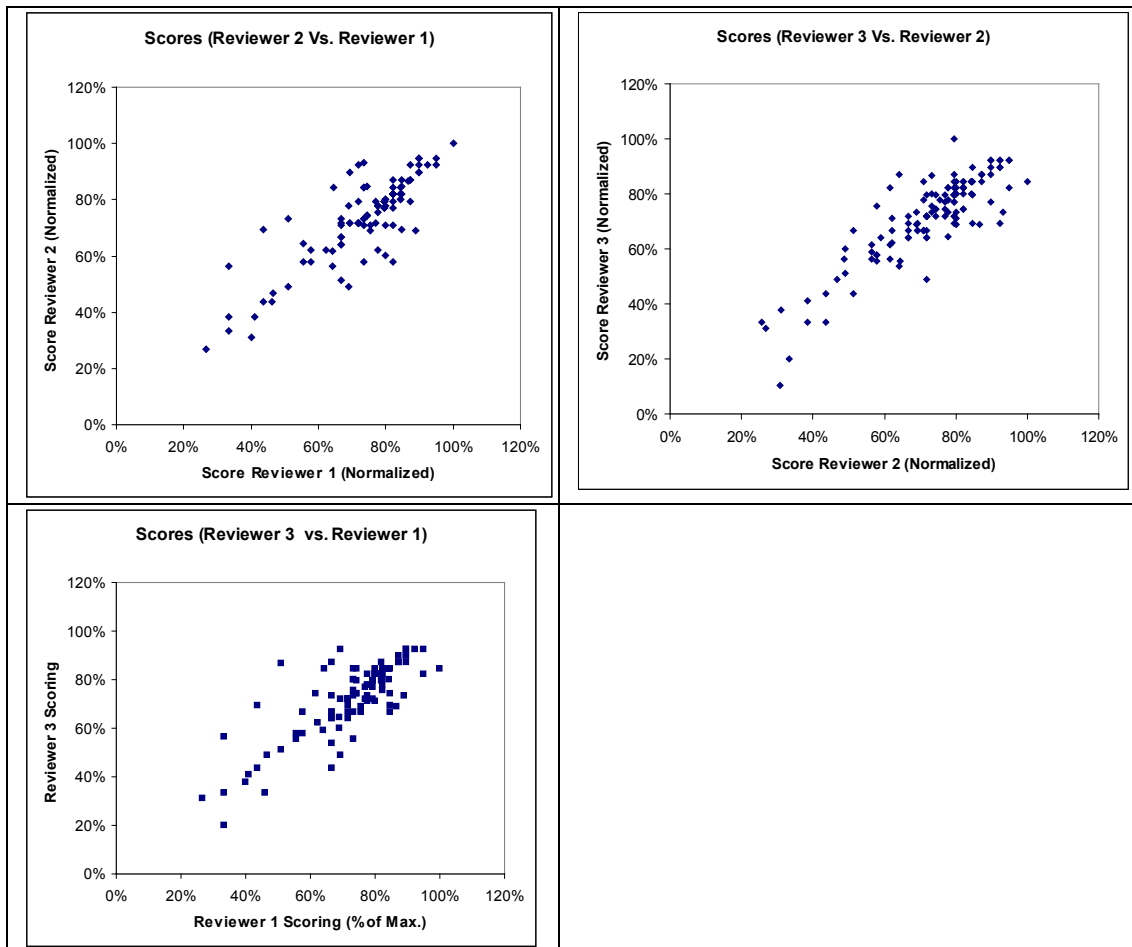


Figure 6 - Consistency of Scoring by Individual Reviewers, Correlations range between 0.82 and 0.88

Although variations naturally exist between individual reviewers, the pattern tends to support an assertion of consistency between them.

4. Relationship between Scores and Funding

Although a general pattern exists between scores assigned to applications and the funding recommended, the strength of the relationship appears to be limited (linear correlation coefficient of 0.69 for all non-zero values²³; this was somewhat unexpected, because the application score was employed in both determining the level of increase in units to be assigned to the awardees during the initial funding assessment by the reviewers and then again during the first round of grant award level cuts²⁴).

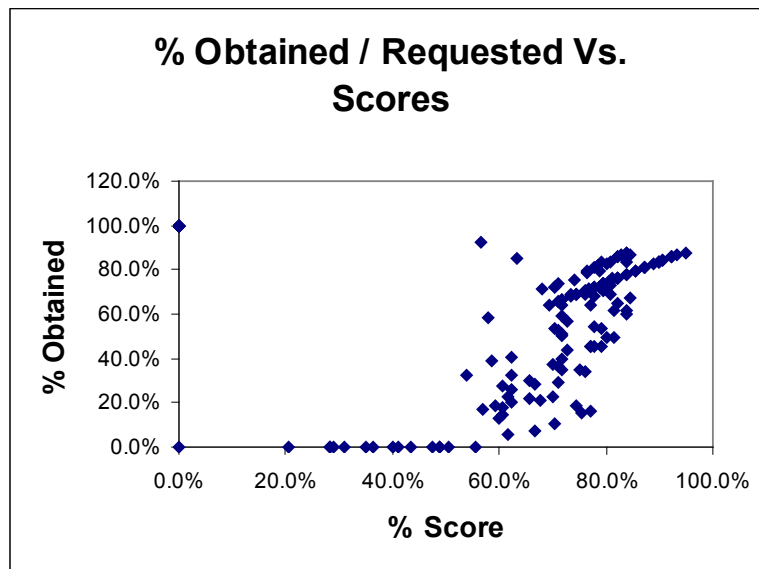


Figure 7 - % of Funding Received as % of Requested, vs. % of Max. Score Received
(Correlation = 0.69)

²³ The Pearson correlation coefficient was employed in this audit program for examining the strength of relationships between selected variables. The Pearson coefficient falls within a scale of 0-1 for positive linear relationships, with a value of 1.0 representing a perfect correlation and that of 0 indicating no correlation at all.

²⁴ NFMC Grant Application Evaluation Process, 24 February 2008. The percentile of the score was employed to define the percentage of the team's initial recommended amount to be allocated to the grantee.

Figure 7 - Counseling Increase Recommended vs. Guidance

(Correlation coefficient = 0.21)

An examination of 105 of the 156 applications suggests that there were more factors involved than the scores themselves in the determination of the counseling increases recommended by the review teams. However, it should be noted that the guidelines for maximum increases to be assigned were exceeded for only 15 (14%) of these applicants. The most notable cases in this regard were [REDACTED] and [REDACTED] which were given counseling award increases of 1,081% and 816%, respectively (the reviewers commented that they were impressed with the applications and each of these grants was for less than \$100,000). Given the small amounts involved in comparison we did not view these variances as material.

5. Adherence to Match Requirements

It should be noted that the match requirements defined for each of the 130 NFMC awards agreed exactly with the corresponding guidelines in the program's design (described above); the only exceptions were the six awards for which matching waivers were granted, and in each of these cases the differences were explained by the waiver amounts.

6. Anticipated Workloads

As described above, the NFMC program team took measures (based on the assigned scores) that would constrain the degree to which many of the applicants' counseling operations would grow as a result of the funding.

This also had the effect of controlling the number of customers per counselor. Based on the sample applications reviewed (and assuming that counselors proposed were to work on a full time basis), it is not clear that the counseling awards awarded would result in unsustainable volumes of activity per counselor.

NeighborWorks® Training Institute (NTI) workload capacity guidelines suggest that the average face-to-face client would receive counseling between 5 – 6 hours of service²⁵. For purposes of estimation and factoring in work not performed on a face-to-face basis, this figure could possibly average 6 – 8 hours of service. However, after making allowances for additional time that may be required to formulate and confirm budgets over the telephone, perhaps this range could actually extend from 8 – 10 hours per customer. A rough estimate of the maximum number of customers that could be supported per year by a single FTE counselor might therefore range between 200 and 250.

In comparison, estimates of the number of customers per counselor, based on units actually awarded, for the selected sample ranged widely (between 2 and 144). None of these figures seemed inordinately high when compared to the estimated maximum ratio above. It should be noted, however, that some of the awardees would still experience significant jumps (more than quadrupling for one quarter of the sample applicants) in the total number of counseling units per counselor in 2008, when compared to FY 2007.

²⁵ NTI – Innovative Solutions to Combat Mortgage Defaults (H0320), NCHCEC, page 3:31

Selected Applicant	Type	Average Score	2007 Sessions	2008 Sessions On Own	2007 Counsellors	Counsellors Proposed	Units Assigned	Counselling Amount Recommended	Counselling Amount Requested	% of Counselling Amount Provided	Estim. Equivalent Full Customers Assigned	Estim Counsellors based on Funding Received	Estim. Customers per Proposed Counsellor per Year	Session per Counsellor Ratio per Year	Session per Counsellor for 2007	Comparison of Actual Units per Counsellor Ratios (2008 awarded to 2007)
[REDACTED]	IntFHA	26.67	76,785	17,704	460	518	12,660	1,943,433	10,712,600	18.1%	5,553	471	12	135	167	16%
[REDACTED]	NWO1	29.67	62	60	2	14	85	21,047	29,800	70.6%	60	10	6	9	31	26%
[REDACTED]	NWO1	31.00	140	30	4	6	390	90,149	122,500	73.6%	258	5	47	83	35	204%
[REDACTED]	IntFHA	35.67	795	1,121	31	65	2,305	574,686	689,650	83.3%	1,642	59	28	43	26	151%
[REDACTED]	IntFHA	34.67	516	1,280	85	143	2,934	572,394	3,571,850	16.0%	1,636	94	17	119	6	513%
[REDACTED]	NWO1	0.00					0		0		0					
[REDACTED]	IntFHA	36.00	160	124	47	87	534	145,466	293,900	49.5%	416	67	6	12	3	235%
[REDACTED]	IntFHA	35.00	223	476	9	14	888	210,953	308,000	68.5%	603	12	49	93	25	288%
[REDACTED]	NWO1	32.67	0	0	3	3	44	8,333	13,500	61.7%	24	3	8	24	0	
[REDACTED]	NWO1	19.00	24	40	2	3	0		59,750	0.0%	0	2		80	12	0%
[REDACTED]	IntFHA	32.00	1,808	2,238	22	39	3,327	775,215	1,046,100	74.1%	2,215	35	64	115	82	117%
[REDACTED]	NWO1	36.00	28	172	3	9	475	113,043	132,050	85.6%	323	8	40	62	9	626%
[REDACTED]	IntFHA	32.67	3,989	7,415	23	43	7,680	1,748,591	2,960,100	59.1%	4,996	35	144	302	173	127%
[REDACTED]	NWO1	31.67	29	120	3	4	226	45,194	60,000	75.3%	129	4	34	75	10	623%
[REDACTED]	IntFHA	35.67	60,757	55,311	645	943	56,806	11,960,000	22,329,850	53.6%	34,171	805	42	112	94	75%
[REDACTED]	NWO1	28.00	284	350	4	5	332	66,488	100,000	66.5%	190	5	41	100	71	100%
[REDACTED]	IntFHA	35.67	9,544	11,692	116	261	9,581	2,860,631	6,284,300	45.5%	8,173	182	45	81	82	64%
[REDACTED]	NWO1	29.33	27	530	4	8	624	139,552	400,250	34.9%	399	5	74	224	7	1714%
[REDACTED]	NWO1	31.00	50	125	3	4	136	38,450	52,150	73.7%	110	4	29	46	17	218%
[REDACTED]	NWO1	23.67	63	300	3	8	223	64,842	370,000	17.5%	185	4	48	122	21	274%
[REDACTED]	IntFHA	34.00	51,733	127,367	461	556	81,497	12,224,490	79,662,000	15.3%	34,927	476	73	955	112	153%
[REDACTED]	NWO1	31.67	66	60	4	7	362	126,543	168,000	75.3%	362	6	58	69	17	350%
[REDACTED]	NWO1	34.67	166	745	3	12	1,369	263,043	319,000	82.5%	752	10	72	138	55	237%
[REDACTED]	NWO1	28.67	47	200	7	12	254	52,471	76,950	68.2%	150	10	14	31	7	363%
[REDACTED]	NWO1	28.33	20	240	2	4	220	54,962	125,000	44.0%	157	2	66	143	13	693%
[REDACTED]	NWO1	24.67	26	16	1	16	41	8,333	9,800	85.0%	24	14	2	3	26	11%
[REDACTED]	NWO1	24.00	28	71	3	5	174	34,218	600,050	5.7%	98	3	31	609	9	599%
[REDACTED]	NWO1	27.67	15	66	3	6	123	29,055	44,150	65.8%	83	5	17	31	5	495%
[REDACTED]	NWO1	32.67	27	34	2	3	283	84,548	141,500	59.8%	242	3	93	158	14	807%
[REDACTED]	IntFHA	22.67	3,486	5,000	2	3	0		9,447,250	0.0%	0	2		11,333	1,743	0%
[REDACTED]	IntFHA	28	4,927	17,778	79	276	10,359	2,367,955	11,616,150	20.4%	6,766	119	57	184	62	139%
[REDACTED]	IntFHA	32	2,080	4,744	144	188	6,845	1,676,898	3,123,750	53.7%	4,791	168	29	68	14	283%

Figure 11 - Selected Attributes of Sample Applicants

Attachment A Legislation Requirements

The table below summarizes and categorizes what may be viewed as minimum legislative requirements, as well as their source references.

Legislation Requirements and Coverage					
Topic	Legislation Requirement	Ref	Page/Line	Design Coverage	Applic. Review Process
Grantees / Awardees	NWA to distribute grants to (a) counseling intermediaries approved by HUD or NWA; (b) State Housing Finance Agencies, where all requirements of L-P1 are met. And (c) NeighborWorks Organizations	L-P1	162/8-11; 163/3-5	Final Funding Announcement, "Eligible Applicants," pp. 6-8	Factor "Applicant Eligibility"
Match	Match to be determined by NWA (or waived), based on affordability and economic conditions of the area.	L-P1	162/10-14	Final Funding Announcement, "Match Requirement," page 11	Factor "Match"
Funding Object	(a) Grants to provide mortgage foreclosure mitigation assistance; (b) No funding will be provided directly to homeowners or to discharge mortgage balances or debt reduction.	L-P1; L-P2	162/14-15; 163/20-24	Final Funding Announcement, (a) "Purpose of Funding," page 1; (b) "Eligible Activities," page 8	Factor "Scope of Proposed Counseling Services"
Geographic Allocation	(a) Grants are targeted to states and areas with high rates of defaults and foreclosures, primarily in the sub-prime housing market; (b) Also may be provided based on a geographic analysis of where there is prevalence of sub-prime mortgages that are risky and likely to fail, including mortgage trends.	L-P1	162/15-17; 162/20-25 & 163/1-2	Final Funding Announcement, (a) "Purpose of Funding," page 1; (b) "Funding Available," page 3, (c) "Exhibit 1: Areas of Greatest Need," pp 21-26	(a) Factor "Areas of Greatest Need"; (b) Factor "Scope of Proposed Counseling Services"
Ultimate Purpose	Grants are to help eliminate the default and foreclosure of mortgages of owner-occupied single-family homes at risk of foreclosure.	L-P1	162/18-20	Final Funding Announcement, "Purpose of Funding," page 1	Factor "Scope of Proposed Counseling Services"
Beneficiaries	Assistance provided to only homeowners of owner-occupied homes with mortgages in default or danger of default.	L-P2	163/11-14	(a) Final Funding Announcement, "Purpose of Funding," page 1. (b) Potential ex-post monitoring in quality control component.	

Counseling Content	Assistance consists of activities that are (a) likely to prevent foreclosure and (b) result in long-term affordability of the mortgage or another positive outcome for homeowner. Counseling shall involve (i) a reasonable analysis of borrower's financial situation; (ii) an evaluation of the current value of the property subject to mortgage, (iii) counseling on the assumption of mortgage by another non-federal party or third party, (iv) counseling and advice of all likely restructuring and refinancing strategies or approval of a work-out strategy by all interested parties.	L-P2; L-P3	163/15-20; 164/1-12	Final Funding Announcement, (a) "Purpose of Funding," page 1; (b) "Eligible Activities - Counseling," pp. 8-10; (c) Final Funding Announcement, Exhibit 5, pp. 33-41, referencing National Industry Standards for Homeownership Counseling – Foreclosure Intervention Specialty	(a) "Applicant Certifications", (b) Factor "Scope of Proposed Counseling Services"
Timing of Awards	(a) NWA to award \$50 million in grants to States and areas with greatest needs within 60 days of enactment; (b) NWA to award more funds after NWA certifies that grantees or prospective awardees (i) have the need for additional funds and (ii) have the expertise to use these funds effectively.	L-P4	164/13-15; 164/16-22	Final Funding Announcement, "Funding Available," page 2	Press Release, NeighborWorks® America, 26 February 2008
Allocation to NWA Charter Members	(a) Up to 15% of total funds to be granted within 60 days to NWA charter members, subject to (b) certification by NWA that selection procedures / activities do not consist of unacceptable conflict of interest of impropriety.	L-P4	164/22-25 and 165/1-4	Final Funding Announcement, (a) "Funding Available," page 3	Actual grant allocation to NWA Charter members to date is 8.7%.
Demonstrated Experience	Counseling entities shall have (a) demonstrated experience in successfully working with financial institutions and borrowers facing default, delinquency and foreclosure, (b) documented counseling capacity, (c) past successful performance and positive outcomes with documented counseling plans, including (i) post-mortgage foreclosure mitigation counseling, (ii) loan workout agreements and (iii) loan modification agreements	L-P5	165/5-15	Final Funding Announcement, "Definitions," pp. 3-4.	(a) "Applicant Certifications", (b) Factor "Applicant Eligibility" - "Experience Operating a Foreclosure Intervention Counseling Program"

Counseling Capacity Development	(a) Up to \$5 million may be made available to build mortgage foreclosure and default mitigation counseling capacity of intermediaries through NWA training courses. (b) Private institutions that participate in NWA training shall pay market rates.	L-P6	165/16-24	News Release, "Foreclosure Prevention Counseling Efforts Receive Boost from \$180 Million Appropriation," NeighborWorks® America, 26 Feb 2008	
Administrative Expense Support	Up to 4% of funds may be employed for related administrative expenses.	L-P7	166/1-4	News Release, "\$130 Million Awarded Through NFMC Program," NeighborWorks® America, 26 Feb 2008	
Outreach	A budget for outreach and advertising, as determined by NWA, may be included in the mortgage foreclosure mitigation assistance.	L-P8	166/5-7	Final Funding Announcement, "Eligible Activities - Program-Related Support," page 10	Factor "Scope of Proposed Counseling Services"
Reporting Frequency and Recipients	NWA will report "bi-annually" (semi-annually, i.e., twice per year) to House and Senate Committees on Appropriations, Senate Banking Committee and House Financial Services Committee regarding its efforts to mitigate mortgage default.	L-P9	166/8-12	Design underway	
Reporting Content	Report will (a) identify successful strategies and methods for preserving homeownership and long-term affordability of at-risk mortgages, (b) include recommended efforts that will or likely can assist in the success of the program, (c) also include an analysis of the details and use of any post-mitigation counseling designed to ensure continued long-term affordability of the mortgages.	L-P9	166/12-24	Design underway	

Attachment B

Sampling Methodology and Resulting Sample

Audit Project: NFMC Program Design, Scoring and Funding Recommendations

Overview:

The objective of this task was to produce a sample of 32 applications from the original 156 NFMC applications, of which 130 (83.3%) ultimately received funding; the sample would therefore be comprised of 20.5% of the population of applications.

The sampling methodology employed three factors for selection:

1. Funding – whether or not the given applicant received funding;
2. Debriefing Requested– whether or not the given applicant requested to receive a debriefing;
3. Recommended Funding Amount – the larger the dollar amount, the higher the probability of selection.

However, a subsequent check was also performed for Areas of Greatest Need to ensure that this attribute was also representative on this attribute of the population.

Weights:

Weighting was implemented on the first two factors, such that applications that did not yield any funding received 50% greater weight (i.e., a 60/40 distribution) than those that did get funded. Similarly, applications for which debriefings were requested received 50% greater weight than those for which there was no such request.

The application of a pure probability-proportional-to-size (PPS) approach was not practical on the third factor, the recommended funding amount, because the ratio between the maximum and minimum amounts granted was as high as 1,500. Therefore, in order to still assign a higher probability of selection to applications receiving a higher grant award, a continuous function (based on the natural logarithm of the grant award) was derived with a flatter rate of increase; this had the effect of assigning just six times the probability of selection to the application with the highest grant award compared to that of the lowest grant award.

The percentage of activity in areas of greatest need, for each applicant, was derived from information in the application that categorizes proposed activity in Areas of Greatest Need vs. Areas that are Not of Greatest Need. The average percentage of activity in Areas of Greatest Need for the sample was compared to that of the population.

The three sampling factors were normalized, based on their minimum and maximum values, to values ranging between 0 and 1. The algebraic average of the values was then calculated for each applicant, using an equal 1/3rd weight for each of the three factors, yielding a composite

index that could be normalized, so as to assign to each application a corresponding probability of selection in the sample. The population was sorted by increasing assigned probability and a cumulative probability value was assigned to each application.

Thirty random numbers (with a uniform probability distribution) were then generated and assigned for prospective sample applications. These random numbers were matched up against the cumulative probability values assigned to select prospective sample applications. Four applications (three of which were selected in duplicate) were removed from the sample and replaced. Two of the replacements were identified through new random number generation and two through judgment; the two applications in the latter category were NFCC and NAREB, respectively. All four replacements are highlighted below.

Resulting Sample:

Random Number	Selected Applicant	Funded	Debriefing Requested	% in Areas of Greatest Need	Total Grant Amount
[REDACTED]	[REDACTED]	Y	Y	73.6%	2,390,422
[REDACTED]	[REDACTED]	Y	N	0.0%	24,204
[REDACTED]	[REDACTED]	Y	Y	100.0%	107,277
[REDACTED]	[REDACTED]	Y	N	0.0%	729,851
[REDACTED]	[REDACTED]	Y	Y	100.0%	661,916
[REDACTED]	[REDACTED]	N	N	0.0%	0
[REDACTED]	[REDACTED]	Y	N	100.0%	184,742
[REDACTED]	[REDACTED]	Y	N	0.0%	262,004
[REDACTED]	[REDACTED]	Y	N	0.0%	10,000
[REDACTED]	[REDACTED]	N	N	0.0%	0
[REDACTED]	[REDACTED]	Y	N	0.0%	984,523
[REDACTED]	[REDACTED]	Y	N	100.0%	135,652
[REDACTED]	[REDACTED]	Y	N	100.0%	2,122,615
[REDACTED]	[REDACTED]	Y	N	0.0%	54,233
[REDACTED]	[REDACTED]	Y	Y	52.2%	15,000,000
[REDACTED]	[REDACTED]	Y	N	100.0%	79,786
[REDACTED]	[REDACTED]	Y	N	0.0%	3,485,573
[REDACTED]	[REDACTED]	Y	N	0.0%	167,462
[REDACTED]	[REDACTED]	Y	N	100.0%	46,140
[REDACTED]	[REDACTED]	Y	N	0.0%	77,162
[REDACTED]	[REDACTED]	Y	Y	83.9%	15,000,000
[REDACTED]	[REDACTED]	Y	N	0.0%	151,852
[REDACTED]	[REDACTED]	Y	N	0.0%	315,652
[REDACTED]	[REDACTED]	Y	Y	0.0%	62,965
[REDACTED]	[REDACTED]	Y	N	100.0%	65,954
[REDACTED]	[REDACTED]	Y	N	0.0%	10,000
[REDACTED]	[REDACTED]	Y	N	0.0%	41,062
[REDACTED]	[REDACTED]	Y	N	0.0%	34,866
[REDACTED]	[REDACTED]	Y	N	100.0%	101,458
[REDACTED]	[REDACTED]	N	Y	0.0%	0
[REDACTED]	[REDACTED]	Y	Y	100.0%	2,746,828
[REDACTED]	[REDACTED]	Y	Y	0.0%	2,092,601
Totals		3	9		47,146,800
Minimum					0
Median					121,465
Maximum					15,000,000
Mean		10.0%	30.0%	37.8%	1,473,338

Sample Versus Population:

A comparison of the attributes of this sample of applications against those of the population follows:

Attribute	Sample	Population
Percent of Applications Not Funded	10.0%	15.4%
% For Which Debriefing Requested	30.0%	19.9%
Average % in Areas of Greatest Need	37.8%	38.3%
Minimum Amount Assigned	0	0
Minimum Grant Amount Approved	10,000	10,000
Maximum Grant Amount Approved	15,000,000	15,000,000
Median of Grant Amounts	121,465	110,000
Mean of Grant Amounts	1,473,338	902,151
Total of Grant Amounts	47,146,800	130,811,852

As designed, the attributes of the sample placed greater emphasis on the applications for which debriefings were requested, however the applications not funded were slightly underrepresented, probably outweighed by those applications with large funding amounts. The ranges and medians of the grant award amounts are quite comparable, however the mean grant amount of the sample is slightly more than double that of the population, due to the increased weighting placed on higher award amounts.

Attachment C Application Review Variables

Following is a synopsis of the review factors employed for both, NWOs and Intermediaries / State HFAs

Application Review Variables

Parameter	NWOs	Intermediaries / State HFAs	
Applicant Certifications	Name	(Same)	(Same)
	Type	Noncompensatory (all questions)	Noncompensatory (all questions)
	Applicant Questions	9	14
	Review Considerations Points	1	1
Capacity of Applicant & Relevant Staff	Name	Factor 1	Factor 1
	Type	Mixed (Compensatory / Noncompensatory)	Mixed (3 Compensatory / Noncompensatory)
	Applicant Questions	9	6
	Review Considerations Points	9 7	6 + 2 9
Strengthening Capacity	Name	Factor 2	Factor 6
	Type		
	Applicant Questions	8	8
	Review Considerations Points	5	5
Areas of Greatest Need	Name	Factor 3	Factor 2
	Type	Noncompensatory	Noncompensatory
	Applicant Questions	4	4
	Review Considerations Points	1-2	1-2
Scope of Proposed Counselling Services	Name	Factor 4	Factor 3
	Type	Compensatory (all but 2)	Compensatory (all but 1)
	Applicant Questions	15	18
	Review Considerations Points	10-11 15	12-13
Match	Name	Factor 5	Factor 4
	Type		
	Applicant Questions	2	1
	Review Considerations Points	5	5
Measuring Results	Name	Factor 6	Factor 5
	Type		
	Applicant Questions	2	2
	Review Considerations Points	2 2	3 4
Part 1 Review	Name		
	Type	Compensatory	Compensatory
	Applicant Questions		
	Review Considerations Points		