



FY2025

**Mortgage Assistance Program
Notice of Funding Available**

Date Issued: February 7, 2025

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Introduction

The Arizona Department of Housing (the Department or ADOH) is pleased to announce a Notice of Funding Availability (NOFA) for funding through the American Rescue Plan Act (ARPA), a federal funding source. This NOFA is for the creation and implementation or support of an existing Mortgage Assistance Program that shall be used to serve first time homebuyers in the purchase of owner occupied eligible properties (Single Family Residences, One to Four Unit Dwellings, Condos and Townhomes) supporting the Arizona is Home initiative (AIH). ADOH expects to allocate \$1,500,000 to one or more Industrial Development Authority.

Background Information

Homeownership is essential to the creation of strong, vibrant, and stable communities. The goal of Arizona is Home (AIH) initiative is to provide financial assistance to first-time homebuyers with low-, moderate-, and middle-incomes to purchase homes, create wealth-building opportunities, and benefit from the economic development that homeowners bring to the community. To date the AIH Program has provided \$10,000,000 from the State Housing Trust Fund (HTF) to provide financial assistance in the form of Down Payment Assistance (DPA) and Mortgage Interest Rate Reduction (IRR) up to \$30,000 to eligible individuals and families whose incomes are 80% or below the Area Median Income (AMI) for the state of Arizona [as defined](#) by the U.S. Department of Housing and Urban Development (HUD). In addition to State HTF dollars, the AIH program has provided \$3,000,000 in ARPA funding which has expanded its impact by serving eligible individuals and families whose incomes are between 80% and 120% AMI.

Changes to the NOFA

Modifications to the NOFA. ADOH may modify this NOFA, from time to time, or for any other reasons as determined by ADOH: 1) to reflect any changes, additions, deletions, interpretations or other matters regulatory matters; 2) to insert such provisions clarifying matters or questions arising under this NOFA as are necessary or desirable and that are contrary or are inconsistent with this NOFA; or 3) to cure any ambiguity, supply any omission or correct any defect or inconsistent provision with this NOFA or the laws and regulations governing the funding sources being made available in this NOFA.

NOFA Clarifications

ADOH will periodically post written clarifications to this NOFA on its website. The clarifications elaborate on the meaning of the text within this NOFA and may sometimes add additional guidance on how to interpret this NOFA. NOFA clarifications are to be considered a part of this NOFA. Applicants are responsible for checking the clarifications and submitting a proposal that is in conformance with the clarifications. Requests for clarification must be made in writing via email or letter via US Mail and will be responded to in the written clarifications to the NOFA on

ADOH's website. Notice regarding amendments and or modifications will be announced through the Department's mailing list and posted on the Department's website. Use the following link to join the Department's mailing list: <https://housing.az.gov/about/press-release/mailling-list>. All contact during the NOFA process and evaluation phase shall only be through the designated email for the designated point of contact, Keon Montgomery, keon.montgomery@azhousing.gov. Applicants shall neither contact nor lobby ADOH staff or evaluators during the evaluation process. Attempts by the applicant to contact and/or influence evaluators may result in disqualification of the applicant. The Department will accept questions about this funding opportunity until February 21, 2025.

NOFA Cancellation

In the event that proposals received pursuant to this Notice of Funding Availability (NOFA) fail to satisfy the specified requirements and criteria set forth herein, the issuing entity reserves the right to cancel this NOFA. Upon the cancellation of this NOFA, all funds associated with the solicitation shall be deemed unallocated and shall be subject to reissuance under a subsequent NOFA with revised terms and conditions.

Maximum Award

It is anticipated that the Department will expend the full \$1,500,000 in funding with an expected award of up to two awardees, depending on response to this NOFA, as ADOH will prioritize urban programmatic impact. At its discretion, the Department reserves the right to make partial awards and/or adjust the amount of funds requested by applicants.

Eligible Applicants

The Arizona Department of Housing is seeking proposals from Industrial Development Authorities to administer and implement the 'Arizona is Home' First Time Homebuyer Mortgage Assistance Program.

Intended Beneficiaries

- First Time Homebuyers, as defined by HUD as a first time homebuyer who has not owned a residential property in the last three years
- Individuals with a proven need of down payment assistance to purchase a home.
- Individuals that are residents of Arizona and have been for a minimum of six months.
- Homebuyers that are purchasing a home as a principal residence.
- Potential borrowers whose gross household income does not exceed 120% of the Area Median Income (AMI) for the state of [Arizona](#) based on County and household size.

Threshold/Minimum Requirements:

- Applicant must be an Industrial Development Authority.
- Applicants should have experience with the delivery of down payment assistance as well as other homeownership loan programs.
- Applicants must demonstrate significant experience in loan qualification and loan origination, and marketing of similar programs.
- Applicants must have last two years audited financials, or financial statements prepared by a CPA if the applicant is not required to prepare an annual audit.
- Applicants must have the capacity to offer a customizable combination of down payment assistance and interest rate reduction for each eligible homebuyer.
- Applicants must have experience layering homeownership products to economize the level of subsidy while also ensuring sustainable homeownership success.

NOFA, Proposal Submission, Review and Funding Process

Proposal narratives must be no longer than eight (8) pages typed, minimum eleven (11) point font, and margins no less than half (1/2) an inch. A budget must be included and counts towards the page limit. Proposals must be submitted via the Arizona Department of Housing Special Needs Portal <https://housing.az.gov/online-services/document-upload-portals/special-needs-portal> by Friday, March 21, 2025 by 5:00 p.m. All Proposal Packages received after the deadline date and time will not be reviewed and will be deemed ineligible. Proposals may not be submitted via U.S. mail, Fed-ex, UPS, e-mail or fax. Questions regarding this NOFA should be sent to Keon Montgomery, Keon.Montgomery@azhousing.gov. The Department will accept questions about this funding opportunity until February 21, 2025.

Proposal Content and Format

Responses should include the following information.

1. Applicant information – Provide the following information:
 - a. State the full, exact name of the applicant organization.
 - b. State the names and titles of the individuals who will sign the contract with the Department.
2. Tax Identification Number (TIN)
3. Proposal contact – Provide the name, title and contact information, including mailing address, phone number and email of the person whom the Department should contact regarding this proposal and who is authorized to bind the agency.
4. Statement of Qualifications – In no more than eight (8) pages, applicants should describe their recent experience (preferably from the past five years) in the following categories:

- a. Describe your agency's experience in managing and delivering mortgage assistance programs particularly to low-moderate income homebuyers, over the past five years. The response should provide a summary of previous programs similar in size, scope and complexity, given today's housing market.
- b. Describe your agency's general program management experience in implementing similar homeownership programs as well as experience working with Federal and State funds and required regulations.
- c. State your agency's experience in partnering and working with other homeownership organizations, lenders, realtors, and community stakeholders in conjunction with delivering homeownership programs. Indicate any other funds your agency currently manages for similar activities – amount, purpose, and opportunities to leverage ADOH funds to serve more participants.
- d. State your experience in working with historically underserved borrowers as well as diverse populations.
- e. Indicate demonstrated homeownership experience of current full and/or part-time staff, including loan origination and marketing activities.
- f. List any outstanding uncorrected compliance issues for previous funding awards from the Department of Housing or for other organizations managed by your agency. Provide the current status of corrective action(s). To the extent possible, applicants should provide data and other success measures that describe how effective the activities completed by the applicant were in achieving the stated down payment assistance or other homeownership loan program goals.
- g. Describe their proposed approach to administering the 'Arizona is Home' First Time Homebuyer Mortgage Assistance Program and applicable activities. The approach should also identify the specific individuals that will be assigned to this work and their roles in completing the following tasks:
- h. Describe how your agency proposes to determine and document applicant information associated with the services provided. Please clarify your knowledge of general mortgage and federal lending regulations.
- i. Describe your agency's process of working with homeowners in the low to moderate income range in identifying barriers faced in purchasing a home and how you address these barriers.
- j. Describe how your agency proposes to address accessibility for issues of language, literacy or disability.
- k. Describe your agency's capabilities in the areas of:
 - i. Partnership building, outreach and marketing, customer service, customer tracking, reporting, program evaluation, Program Administration, Income and Mortgage Calculation, and Loan processing.

1. Provide evidence of:
 - i. An adopted Code of Ethics and Conduct policy that specifically addresses any real and apparent conflicts of interest, guidelines for professional behavior, privacy and confidentiality, payment for services, consultation, referrals, quality assurance and integrity. (Does not count towards the page limit.)
 - ii. Working with government agencies, local communities, counties and U.S. Department of Housing and Urban Development programs for the purpose of marketing and networking to encourage the success of the clients and the program. (Does not count towards the page limit.)
5. Timeline for Completion of Tasks: Submit a work plan which describes how the clients will be served from initial intake to mortgage closing. Submit a timeline showing how many clients will be served each month over the course of the grant funding.
6. Budget – Applicants should submit a budget outlining how they plan to run the ‘Arizona is Home’ program.
7. References – Applicants should provide the name, title and contact information (including phone and email) for three (3) current or former clients that can speak about the applicant’s experience and qualifications.

Evaluation Criteria

The Evaluation Criteria are intended to be used to make a recommendation. The Department reserves the right to change the criteria and to otherwise vary from this procedure as it determines to be in the state’s interest. If an award is made, it is expected that the State’s award will be to the applicant that agrees to meet the needs of the State. A number of relevant matters will be considered, including:

1. General organizational experience in the delivery of similar homeownership programs.
2. Experience in the management and implementation of federal and state regulations for mortgage assistance and/or mortgage interest rate reduction and other homeownership programs.
3. Capacity to perform the Scope of Work as stated in this NOFA.
4. Ability to execute the program in urban counties.
5. Experience working with the Arizona Department of Housing
6. Proposed plan for delivering requested services with emphasis on the ability to reach historically underserved borrowers.
7. Budget and timeline for completing the scope of work.

Scoring

Only projects with the highest competitive score that meet experience and reliability and method of approach/oversight requirements will qualify for an award under this NOFA. The Department has established a scoring methodology to evaluate an Applicant’s ability to develop and operate a cost-effective program in accordance with the State of Arizona’s mission and goals. Failure to include the requested information may have a negative impact on the evaluation of the Applicant’s NOFA response. The response should include at least the following information:

Points Scoring Summary	Maximum Points
Applicant Experience, Qualifications and Capacity	Up to twenty (20)
Proposed Project and Program Implementation	Up to thirty (30)
Program Outcomes and Impact	Up to twenty (20)
Project Readiness	Up to fifteen (15)
Breadth of Geographic and Population Outreach	Up to fifteen (15)
Total Maximum Points	100

Selection Notification

The Department anticipates notifying Applicants within seven (7) business days of application deadline as to whether they will be funded. The Applicant approved for funding should be prepared to initiate the project within thirty (30) days of notification. Upon request, both funded and unfunded applicants will have the opportunity to review their application’s scoring with the Department staff in order to increase their competitiveness in subsequent application and funding processes.

Proposal Process Timeline

The following is a list of key dates in the proposal process:

NOFA Release	Friday, February 7, 2025
Last Day to Submit Questions	Friday, February 21, 2025
Application Deadline	Friday, March 21, 2025, 5:00 p.m.
Anticipated Scoring/Review Panel	Friday, March 28, 2025
Anticipated Award Notice	Friday, April 11, 2025

Post Award Requirements

An award provided under this NOFA will include a list of any further conditions to implement the Project contemplated in the Proposal, including but not limited to the Applicant showing success after program development. At the end of the project, Applicant(s) will need demonstrated continued success through loan servicing for a period of a minimum of five (5) years from the date the last Mortgage Assistance Program application is completed and funded, and the terms and conditions of the Department's award to the Applicant.

Funding Distribution

Funds will be disbursed upon completion of funding agreement. Awardee(s) will be expected to provide all supporting documentation of expended funds upon program completion and once funds have depleted. Up to 10% of the total award may be utilized for awardee administrative costs and/or indirect expenses.