SECTION C

PERFORMANCE WORK STATEMENT

DEPARTMENT OF VETERANS AFFAIRS
PROPERTY MANAGEMENT OPERATION

Industry Draft

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SECTION C
PERFORMANCE WORK STATEMENT
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1.0 INTRODUCTION

1.1 Overview of the Property Management Operation

The Department of Veterans Affairs (VA) Loan Guaranty Program provides veterans home ownership opportunities through the provision of federal home loan guarantees. As a byproduct of this guaranty program, VA acquires properties as the result of termination of VA-guaranteed and VA-financed loans. Within the Loan Guaranty Program, the Property Management (PM) operation is responsible for the acquisition and disposal of property that VA acquires through the termination of these loans.

The primary objective of the PM operation is to sell VA-acquired properties in a manner that results in the highest possible return on VA's investment in the shortest amount of time possible. The proceeds from these sales directly benefit VA by reducing the cost to guaranty loans to veterans. PM currently operates through 37 regional offices (RO) and nine regional loan centers (RLC), disposing of property located in the continental United States, Alaska, Hawaii, and Puerto Rico.

1.2 Purpose of the Performance Work Statement

This Performance Work Statement (PWS) supports the process described in OMB Circular No. A-76 (Revised), August 4, 1983, and Circular No. A-76, Revised Supplemental Handbook, Performance of Commercial Activities, March 1996 (updated through transmittal memorandum June 20, 1999). The circular and supplemental handbook are available at http://www.whitehouse.gov/omb/circulars/index.html.

1.3 Organization of the Performance Work Statement

The PWS is organized in sections that define both the work to be performed, and the relationship between VA and the Service Provider. The overall scope of work to be performed is described in Section 2.0 and detailed performance requirements for this work are specified in Section 3.0. Sections 4.0 and 5.0 specify information technology and security requirements that the Service Provider must meet. Section 6.0 identifies performance management requirements, including the operating plans the Service Provider must have in place, and the quality control and personnel requirements the Service Provider must meet. And, finally, Section 7.0 specifies transition requirements.

Additional information is provided in attachments as referenced and discussed elsewhere in this document. Three of the attachments are applicable throughout this document regardless of whether or not they are specifically referenced. They are as follows: Attachment C-1, Definitions; Attachment C-2, List of Abbreviations and Acronyms; and, Attachment C-5, Performance Requirements Summary.

2.0 SCOPE OF WORK

This section provides an overview of the scope of work required in this contract. It also addresses the anticipated workload, the properties that are to be assigned to the Service Provider, the information technology requirements, the role of the Contracting Officer (CO) and CO-designated representatives, the Service Provider compensation structure, and reporting requirements.

2.1 Overview

The Service Provider shall:

2.1.1 Provide property management services associated with the acquisition and disposition of VA-acquired property (hereafter referred to simply as "property") located in the VA Region assigned to the Service Provider, subject to the terms, conditions, and limitations of this Performance Work Statement (PWS). (Note: VA has not yet decided whether a single Service Provider will provide services nation-wide, or whether a Service Provider will be retained for each VA Region.) Property management services include the following types of activities, which are fully described in Section 3.0:

- Perform initial custody actions,
- Acquire title,
- Process redemptions,
- Obtain possession,
- Manage property,
- Market property, and
- Sell properties (including evaluation of vendee loan applications).

2.1.2 Provide all personnel, facilities, materials, supplies, equipment, and services required for the performance of the work in this PWS. Government-furnished property and services are limited to the following:

- A three month supply of all VA Forms that the Service Provider is required to use under this contract (estimated three-month supply will be provided, thereafter the Service Provider shall obtain these forms independently and at its own expense), and

- Property Management Local Area Network (PLAN) information system (note that use of this system by the Service Provider is optional; see Section 4.0 for details).

2.1.3 Operate and maintain business location(s), complete with staff, equipment, and supplies, which are accessible to program participants, prospective buyers, VA representatives, and others as necessary to meet the requirements of this PWS.

2.1.4 Interface with existing and future VA contractors, and original loan Holders and their representatives, so as to accomplish the work in this PWS. Currently, the only significant VA contractor with which the Service Provider would need to interface is the loan servicing and tax payment contractor.

2.1.5 Be prohibited from purchasing VA-acquired property or being the sales broker for VA-acquired property during the duration of the contract as Service Provider. This prohibition applies to the Service Provider and any individual or entity with an identity of interest relationship with the Service Provider.

2.2 Workload Requirements

The Service Provider is expected to perform the work specified in this PWS regardless of the actual amount of work or fluctuation in work. There is no guaranteed minimum or maximum number either of properties to be assigned, or of other elements of workload in this PWS. Any information in this PWS regarding estimated anticipated, or historical workload is intended to aid the Service Provider in understanding the requirements associated with PM and in submitting an appropriate bid/proposal.

Information regarding historical workload is provided in Attachment C-4, Historical Workload. The information in Attachment C-4 represents the government's best estimate of workload, using information available at the time this PWS was developed.

2.3 Property Assigned to Service Provider

2.3.1 VA intends to assign all acquired property located within the VA Region to the Service Provider for service under this PWS.

2.3.2 The Service Provider shall be assigned properties via fax, electronic notification, or other means agreed to by the Contracting Officer and the Service Provider. The "assignment date" shall be the date VA notifies the Service Provider of the assignment. Although properties ordinarily will

be assigned on business days, assignments can be made on any day including Saturdays, Sundays, and holidays. Attachment C-3, Jurisdictions of Regional Loan Centers, contains a listing of the RLCs and their jurisdictions by state and county.

2.3.3 Assignment of a property to the Service Provider does not convey title or any other legal interest in the property to the Service Provider.

2.3.4 The Service Provider shall promptly notify the CO-designated representative if there is reason to believe that a property has not been properly assigned.

2.3.5 The initial assignment of properties to the Service Provider is as discussed in Section 8.0, Transition Requirements.

2.4 Information Management Requirements

The Service Provider shall meet the information management and information transfer requirements in this PWS. The Service Provider may use VA's current operational system, PLAN. PLAN is a local area network system that automatically generates appropriate correspondence, prints required forms, and updates VA's legacy database, the Property Management System (PMS). Information management requirements and information about PLAN and PMS can be found throughout this PWS, particularly in Section 4.0 and Attachment C-9. The Service Provider shall transmit to VA on a daily basis the data identified in Attachment C-9, which is the same data that PLAN now transmits.

2.5 Role of the Contracting Officer (CO) and the CO Designated Representative

The Contracting Officer (CO) has sole authority to modify the terms of this contract on behalf of VA. The CO will appoint the usual and customary contracting representatives to carry out VA's responsibilities under this PWS, and may appoint additional designated representatives to represent the CO on specific matters. Throughout this PWS, reference is made to the role of the "CO-designated representative." In general, the CO-designated representative will represent the CO on day-to-day matters related to the acquisition and disposition of individual properties.

2.6 Service Provider Compensation

The Service Provider shall:

2.6.1 Be compensated as specified below:

2.6.1.1 Service Fee. The Service Provider shall be entitled to be paid a fixed percent of the sale price of each property sold, except as specified in paragraph 2.6.1.1.3. The percent of sale price to be paid as the Service Fee shall be as specified in the Service Provider's accepted offer and stipulated in the contract agreed to by VA and the Service Provider. The Service Fee shall be subject to a Minimum Service Fee and shall be earned in two stages, as follows:

2.6.1.1.1 Minimum Service Fee. The Service Provider shall be entitled to be paid the greater of the Service Fee or Minimum Service Fee. The Minimum Service Fee shall be a fixed dollar amount as specified in the Service Provider's accepted offer and stipulated in the contract agreed to by VA and the Service Provider.

2.6.1.1.2 Service Fee installments. The Service Provider shall earn the Service Fee in two installments as follows:

- Assignment Fee – The Service Provider shall be entitled to a portion of the Service Fee in the form of an Assignment Fee. The Assignment Fee shall be a fixed fee for each property assigned. The Service Provider shall submit an invoice for this fee in accordance with paragraph 2.6.2.1. The Assignment Fee shall be as specified in the Service Provider's accepted offer and stipulated in the contract agreed to by VA and the Service Provider.
- Sale Fee – The Service Provider shall be entitled to the balance of the Service Fee in the form of a Sale Fee once the property has been sold. The Service Provider shall submit an invoice for this fee in accordance with paragraph 2.6.2.2.

2.6.1.1.3 For any property disposed of through reconveyance, redemption, sale to tenant, sale to former owner, or otherwise sold prior to listing, the Service Fee shall be limited to the Assignment Fee. If the property subject to this provision is part of the initial assignment of properties specified in Section 7.0, the Assignment Fee shall be paid upon disposition.

2.6.1.1.4 Examples. The following examples are intended to illustrate the calculation of the Service Fee:

Examples of Service Fee Calculations

Ex.	Variables subject to Service Provider Bid			Property Disposition		Service Fee Installments		Total Fee Earned
	Assign-ment Fee*	Service Fee*	Minimum Fee*	Type of Disposition	Sale Price	Upon Assignment	Upon Sale or Disposition	
1	$1,000	3%	$1,500	Sale to public	$80,000	$1,000	$1,400	$2,400
2	$0	3%	$0	Sale to public	$80,000	$0	$2,400	$2,400
3	$1,000	3%	$1,500	Sale to public	$20,000	$1,000	$500	$1,500
4	$1,000	3%	$1,500	Sale to tenant (see paragraph 3.8.7.2)	$80,000	$1,000	$0	$1,000
5	$1,000	3%	$1,500	Reconveyed (see paragraph 3.4.4)	NA	$1,000	NA	$1,000

** These variables are defined by the Service Provider in its proposal*

2.6.1.2 Quarterly Performance Fee/Penalty. The Service Provider shall earn or be penalized a fee every three months based on its performance in obtaining the highest possible ROI. The Service Provider shall earn or be penalized five percent of the difference between the actual quarterly net return and the expected quarterly net return. Actual and expected quarterly net returns shall be calculated as shown in Attachment C-8, Calculation Worksheets. If the actual quarterly net return is higher than the expected quarterly net return, then the Service Provider shall be entitled to be paid five percent of the difference. If the actual quarterly net return is lower than the expected quarterly net return by more than one percent of the expected quarterly net return, then VA may deduct five percent of the difference from the Service Provider's invoice.

2.6.1.3 Cost Reimbursement. The Service Provider shall be entitled to limited reimbursement of expenses as specified below:

2.6.1.3.1 The Service Provider shall be entitled to reimbursement for the following, provided that applicable procedures as specified in this PWS were followed in incurring the cost:

- Repairs not included in paragraph 2.6.1.3.2;
- Securing pools and eliminating dangers, unless included in paragraph 2.6.1.3.2;

- Eviction (attorney fees, court costs, “set out” costs, and relocation fees up to $500);
- Homeowner and condominium association fees;
- Taxes and special assessments that must be paid to enable a closing to proceed or redeem properties from tax sales;
- Required lead hazard abatement;
- Pest treatment and inspection as required by purchaser’s lender or authorized by the CO-designated representative;
- Payments to clear liens as authorized by the CO-designated representative;
- Deed assignment recordation fees; and
- Sales broker fee.

2.6.1.3.2 The following are explicitly excluded from reimbursement:

- Securing property, except pools (including changing locks, boarding, sealing leaks, etc.);
- Removing debris inside or outside buildings;
- Cleaning property;
- Caring for lawns and landscaping; and,
- Clearing snow or ice.

2.6.1.3.3 Goods or services that are eligible for cost reimbursement shall not be procured from any individual or organization with which the Service Provider has an identity of interest. The Service Provider shall not receive any referral, rebate, or similar fee from any company used to procure goods or services that are eligible for cost reimbursement.

2.6.1.4 Loan Processing. The Service Provider may charge a purchaser for processing requests for vendee loans up to $300.

2.6.2 Submit three invoices to the CO as follows:

2.6.2.1 Properties assigned. The Service Provider shall submit one invoice each month listing the properties assigned during the previous month and specifying the amount earned (Assignment Fee).

2.6.2.2 Properties sold. The Service Provider shall submit one invoice each month listing the properties sold during the previous month, and specifying the amount earned (Sale Fee) and owed (Cost Reimbursement) for each property. The invoice shall include all reimbursable expenses incurred during the duration of the assignment and copies of supporting documentation to include original receipts. Details regarding consolidated invoice requirements, such as property and billing identifiers, format, and submission dates, will be provided upon award of the contract.

2.6.2.3 Incentive fee invoice. The Service Provider shall submit an invoice once every three months for its estimated Quarterly Incentive Fee.

2.6.3 Deposit all funds collected on VA's behalf to a Treasury-approved depository by the end of the first business day after receipt. Details on deposit requirements will be provided upon award.

2.7 Reporting Requirements

The Service Provider shall provide recurring and ad-hoc reports to the CO and/or CO-designated representative. Detailed instructions on required report format, content, distribution, and due dates will be provided upon award, and may change from time-to-time with reasonable notice to the Service Provider. Reports will include but will not be limited to:

(1) Weekly inventory activity report;

(2) A two-part monthly "inventory report," which will provide both a summary of overall property activity, and specific information on each property assigned;

(3) Monthly "sold property" report;

(4) Monthly "aged property" report, which lists properties on hand nine months or more, and which gives information on past activity and current marketing plans;

(5) Individual property closeout reports;

(6) Annual narrative reports, outlining the successes and difficulties of Property Management activities in the VA region;

(7) An annual "reconciliation" of properties assigned to the Service Provider, in the form of individual property status sheets showing current data in the Service Provider's property tracking system;

(8) Monthly reconveyance report, listing status of properties recommended for reconveyance to Holder; and

(9) Ad hoc reports, as ordered by the CO to provide information necessary to satisfy program inquiries from federal and non-federal agencies, entities and individuals.

3.0 PERFORMANCE REQUIREMENTS

This section of the PWS provides specific performance-oriented requirements that the Service Provider is to meet in providing property management services. The requirements identified as most critical to contract performance are set forth in Attachment C-5, Performance Requirements Summary. The Performance Requirements Summary contains the government's intended quality assurance procedures and defines satisfactory performance ratings for these critical requirements.

3.1 Regulatory Compliance

The Service Provider shall:

3.1.1 Comply with all federal, state and local laws and regulations pertaining to the acquisition and disposition of VA-acquired property described in this PWS. In addition, the Service Provider shall follow customary real estate practices of the state, locality, homeowners association, and neighborhood as any other property management organization would. When local laws and regulations conflict with VA requirements, the Service Provider shall notify the CO. Unless the CO advises the Service Provider that, in the opinion of the VA Legal Counsel, VA requirements supercede inconsistent state or local requirements, the Service Provider shall proceed with methods or alternatives that allow for compliance with local regulations and accomplishment of VA's primary objective of maximizing return on investment (ROI). Attachment C-6, Property Management Regulations, contains a listing of federal laws and regulations, and a discussion of state and local laws and regulations that impact property management operations.

3.1.2 Obtain and ensure that all workforce members and affiliates hold all applicable licenses, permits, and insurance required by federal, state, or local authorities for work performed under this contract.

3.2 General

The Service Provider shall:

3.2.1 Represent VA in the performance of the work. The Service Provider shall ensure that all contacts with the public promote the program, encourage participation by industry professionals and individual purchasers, and support the primary objective of maximizing VA ROI. The Service

Provider shall carry out their responsibilities under this PWS in a manner that reflects positively on VA and avoids negative publicity. The Service Provider shall give due consideration to humanitarian concerns in the process of performing this work.

3.2.2 Maximize VA return on investment (see Attachment C-8, Calculation Worksheets).

3.2.3 Safeguard all property assigned under this contract to preserve, protect, and maintain VA's investment in the property, and limit VA's liability. The Service Provider shall secure properties and eliminate hazards, and shall be liable for damages to acquired property due to failure to inspect property, failure to secure property, or other neglect, failure, or misconduct of the Service Provider or its affiliates, as determined by the CO. The Service Provider shall not be held liable for damage caused by acts beyond its control, such as flood, earthquake, tornado, or hurricane, as long as the Service Provider has taken immediate and reasonable action to protect the property from such damage. The Service Provider shall indemnify VA for losses due to its neglect, failure, or misconduct.

3.2.4 Bring to VA's attention any apparent fraudulent activity by brokers, agents, purchasers, or others involved in the acquisition, management, or sale of VA-acquired property.

3.2.5 Operate, at a minimum, during regular business hours beginning not later than 9:00 a.m. local time for property and extending for not less than an 8 (eight)-hour period, Monday through Friday. The Service Provider has the discretion to determine whether to open its offices on weekends and recognized Federal holidays. The following are recognized as national holidays: New Year's Day, Martin Luther King Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas.

3.2.6 Be available to respond to and resolve problems after regular business hours. In addition to office and telephone access provided during regular business hours, the Service Provider shall maintain a phone number and an e-mail address that are available 24-hours a day, 7 days per week, including recognized Federal holidays. In the event an answering machine or other automated system is relied upon for after hours, calls and e-mails should be responded to the next business day.

3.2.7 Maintain effective communication and coordination with all program participants, and with other government and commercial agencies involved in the performance of the duties outlined in this contract. This includes, but is not limited to, answering questions, providing property

information and status, referring customer to appropriate service agencies, providing copies of property documents, etc. Subject to paragraphs 3.2.7.1 and 3.2.7.2, the Service Provider will respond to written and verbal inquiries regarding both individual properties and the program in general from the general public, real estate and mortgage industries, law enforcement agencies, nonprofit and government agencies, etc., in a prompt, courteous, and accurate manner. The Service Provider shall maintain a copy of written correspondence.

3.2.7.1 Requests for information subject to the Freedom of Information Act (FOIA). The Service Provider shall be familiar with FOIA (Title 5 U.S.C. Section 552) and the Privacy Act (5 U.S.C. § 552a) to aid VA in responding to requests for information. The Service Provider shall forward all requests for information that are subject to FOIA or the Privacy Act to the CO-designated representative. In the case of a FOIA request that involves costs to the requestor, the Service Provider shall provide a cost breakdown to the CO-designated representative.

3.2.7.2 Congressional inquiries. The Service Provider shall provide written information to the CO-designated representative within three business days to support VA's response to elected officials.

3.2.8 Receive and respond to all post-closing complaints from purchasers. Post closing complaints that arise out of poor repair workmanship, erroneous listing information, title defects missed by the Service Provider, or other errors or omissions on the Service Provider's part shall be resolved by the Service Provider at the Service Provider's expense. In rare cases when the Service Provider believes that, despite "as-is" disclosures and buyer's waiver of liability (see paragraph 3.9.3.2), VA may be liable for a claim, the Service Provider must provide a written determination of liability to the CO-designated representative including a written description of the complaint. The CO-designated representative may direct the Service Provider to make repairs or compensate the complainant if the CO-designated representative determines that either is appropriate. However, the Service Provider shall be entitled to reimbursement of the cost of the repair or compensation only if the CO-designated representative determines that VA is liable and the Service Provider is not liable. The Service Provider shall be liable for all costs incurred in resolving post-closing complaints when VA's prior written approval is not obtained.

3.2.9 Maintain a property file for each property as follows:

3.2.9.1 Update hardcopy and electronic files within three business days of receipt of new information or initiation or completion of an activity, as appropriate.

3.2.9.2 Active property files.

3.2.9.2.1 Maintain a hardcopy and electronic file for each property in inventory until six months after sale, reconveyance, or other disposal.

3.2.9.2.2 These records must be available for VA review without prior notice during regular business hours.

3.2.9.3 Sold property files. Retain hardcopy and electronic files for each property sold, reconveyed, or otherwise disposed of, throughout the duration of this contract or until VA requests the file be forwarded to a VA archival location.

3.2.9.4 Maintain a copy of each contract or agreement. A contract or agreement that is specific to a particular property shall be maintained with the property file. A contract or agreement that is applicable to more than one property shall be maintained, separate from any property file, throughout the duration of that particular contract or agreement and for an additional 12 months after expiration/termination of that particular contract or agreement. These records shall be readily accessible to VA without prior notice during regular business hours.

3.3 Begin Initial Custody Actions

The Service Provider shall:

3.3.1 Initiate hardcopy and electronic property files within three business days of receiving assignment of property.

3.3.2 Notify property stakeholders (e.g., tax authorities, utility companies, homeowner associations) of change in property ownership within three business days of assignment. The Service Provider shall notify taxing authorities where to send tax bills. The Service Provider shall notify the VA tax payment vendor that it is now responsible for making tax payments on the property.

3.3.3 Inspect property and document in the property files (hardcopy and electronic) within three business days of assignment.

3.3.3.1 If vacant, secure property as required in Section 3.7, Manage Property, and proceed with other requirements as appropriate.

3.3.3.2 If not vacant, obtain possession as required in Section 3.6, Obtain Possession, and proceed with other requirements as appropriate.

3.4 Acquire Title

The Service Provider shall:

3.4.1 Obtain documents from former loan Holder to determine whether or not VA has clear and marketable title to the property conveyed to VA. VA requires loan Holders to submit title documents within 60 calendar days of either foreclosure sale, or deed in lieu of foreclosure. The specific title documents that establish marketable title for each state will be provided upon award.

3.4.2 Follow-up with loan Holder to ensure that marketable title is received within 60 days. The Service Provider shall grant extensions of up to 30 calendar days to submit title documents that establish marketable title when the Holder has shown diligence in its efforts to comply with VA requirements. If title documents are not received by the deadline or any extension thereto, the Service Provider shall notify the Holder that the Service Provider is recommending to VA that VA reconvey the property. The Service Provider shall send this notice within five calendar days after the deadline or extension thereto has passed.

3.4.3 Promptly forward the complete set of documents to the VA Regional Counsel having responsibility for the geographic area where the property is located. After reviewing the documents, the VA Regional Counsel will direct the Service Provider to take one or more of the following actions:

3.4.3.1 Accept title. If the VA Regional Counsel determines that the title documents are acceptable, the Service Provider shall update property files to reflect this decision.

3.4.3.2 Have Holder or other responsible party correct title defects. The Service provider shall notify the Holder or other responsible party of the title defects, and request corrected documents within 10 business days. The Service Provider shall follow-up with Holder

or other responsible party to ensure that corrected documents are received within 10 business days. If a corrected document has not been received within 25 business days, the Service Provider shall notify the Holder that the Service Provider is recommending to VA that VA reconvey the property.

3.4.3.3 Cure liens. The Service Provider shall cure liens as directed by the VA Regional Counsel.

3.4.3.4 Accept title with defects. In limited cases, the property may have a potential title defect that is not curable. In such cases, the VA Regional Counsel may authorize the Service Provider to execute an indemnity agreement on VA's behalf protecting the purchaser in the event of loss from such defect. Any indemnity agreement will be limited to a specific cause for loss and a limit to VA's liability, as directed by the VA Regional Counsel.

3.4.3.5 Apply for and obtain a Certificate of Discharge from Federal Tax Liens. Acquired properties are subject to a 120-day redemption period for IRS tax liens, and to an unlimited redemption period where the Holder fails to give proper notice of the foreclosure. When directed to do so by the VA Regional Counsel, the Service Provider shall apply for and obtain a discharge of tax lien using VA's "IRS Tax Lien Discharge Request." The Service Provider shall obtain and record the discharge as quickly as possible to limit delays in marketing and sale.

3.4.4 Reconvey property to Holder as follows:

3.4.4.1 The Service Provider shall recommend to the VA Regional Counsel having responsibility for the geographic area where the property is located that the property be reconveyed in the following circumstances:

- Title documents that establish clear and marketable title have not been received by the deadline or any extensions thereto;
- The Holder has not cured title defects within the timeframe provided in paragraph 3.4.3.2; or

- The Service Provider determines it is in VA's best interest to reconvey a property to the Holder at this time.

3.4.4.2 Upon approval by the VA Regional Counsel of the request to reconvey, the Service Provider shall:

(1) Inspect the property and prepare a Property Inspection Report (VA Form 26-0595v), documenting the property's condition prior to reconveyance to the Holder;

(2) Prepare and record a quit claim deed, to transfer ownership of the property from the Secretary to the Holder;

(3) Prepare an itemization of total expenses incurred by VA; and,

(4) Send letter, with written acknowledgement of receipt required to the Holder with the following notices and attachments:

- Notice that property has been reconveyed to the Holder;
- Basis for the reconveyance;
- Transfer of custody date that establishes the last date VA will be responsible for the property, and the first date that Holder becomes responsible for the property;
- Request that deed be recorded and copy provided to the Service Provider;
- Request for reimbursement of the total amount paid by VA to acquire the property as well as all expenses incurred, including fee to the Service Provider; and
- Attach the quit claim deed, final inspection report, and the itemization of total expenses.

(5) Close out all records in the same manner as for cash sales in paragraph 3.9.4.3.

3.5 Process Redemptions

The Service Provider shall:

3.5.1 Process redemptions in applicable states on VA's behalf, consistent with all applicable state and local requirements regarding redemption rights. The Service Provider shall take all appropriate action with respect to redemptions, including but not limited to tracking redemption periods, filing documents with appropriate state and local agencies, interfacing with all parties claiming redemption rights, ensuring that redemption proceeds are sent to the CO-designated representative, and ensuring that the redemption documents and procedures are accurate and complete. A list of states with significant redemption rights or procedures is provided in Attachment C-6, Property Management Regulations.

3.5.2 Calculate redemption cost, based on what costs can be included in the redemption figure according to state and local laws and regulations. If additional information is needed from VA, the Service Provider shall request the information from the CO-designated representative in a timely manner, and identify the date by which the information is needed; in no case shall this period of time be less than three business days.

3.5.3 List and sell properties subject to redemption in accordance with state and local laws and regulations.

3.5.4 Determine whether it is both allowable and in VA's best interest to pursue rental collections or other occupancy fees in accordance with the laws of the jurisdiction; and notify the CO-designated representative if such an agreement is recommended (see paragraph 3.7.7 regarding renting property).

3.5.5 Oversee redemption when a property is redeemed. The Service Provider shall collect funds on VA's behalf and deposit them in a Treasury-approved depository (to be identified upon award of contract), transmit the "Redemption Worksheet" to the CO-designated representative within one work day, and close out all records. In the event of a redemption after VA has sold the property, the Service Provider shall calculate, and notify the CO-designated representative of, VA's estimated liability to the purchaser.

3.6 Obtain Possession

The Service Provider shall:

3.6.1 Obtain possession of the property on behalf of VA in accordance with state and local laws.

3.6.2 Apply discretion in exercising eviction laws. For example, the Service Provider may consider options for assisting the occupant to relocate, weighing the cost of eviction versus relocation assistance. Also, the Service Provider should consider humanitarian issues, such as whether the occupant is infirm or elderly, when carrying out the eviction.

3.7 Manage Property

The Service Provider shall:

3.7.1 Secure the property within three business days of assignment or possession and continue to secure each property and eliminate hazards on an ongoing basis. Property may be secured by any prudent means selected by the Service Provider, which is sufficient to prevent deterioration, provide access to VA without advance notice, and meets state and local requirements and customs, including, but not limited to, the following:

3.7.1.1 Change or re-key lock and take any other action appropriate to minimize the likelihood of unauthorized access;

3.7.1.2 Winterize systems when appropriate to prevent temperature and weather-related damage or deterioration;

3.7.1.3 Secure pools to ensure they do not present a hazard to others, and are not damaged;

3.7.1.4 Eliminate other hazards such as rotted, falling, or generally unsafe stairs, floors, ceilings, walkways, etc. so that the requirements of this PWS can be met.

3.7.2 Remove debris and clean property so that the requirements of this PWS can be met. In all cases, property shall be cleaned prior to marketing so that it shows in the manner typical for the local sales market.

3.7.3 Order appraisal through VA Automated Appraisal Assignment System (VAAS) within 6 days of assignment or 3 days of vacancy. The Service Provider shall ensure that property is appraised within 10 days of appraisal request.

3.7.4 Ensure the property is maintained in a clean, safe, sound, and sanitary condition and presents an appearance and condition consistent with other properties in the neighborhood. This includes ensuring that regular maintenance is performed.

3.7.5 Dispose of personal property remaining on property, as required by state and local laws and other requirements, including any required safeguards, documentation, inventory, or storage. The Service Provider shall be liable for any claims regarding care, disposition of, or failure to safeguard personal property.

3.7.6 Repair property. The Service Provider shall make repairs as follows:

3.7.6.1 The Service Provider shall perform all maintenance and repair necessary to market and sell acquired properties so that VA receives the highest possible return on investment.

3.7.6.2 The Service Provider is authorized to perform necessary reimbursable repairs totaling $6,000 over the life of the property without VA's prior approval. The Service Provider must obtain VA's prior written approval to spend more than $6,000 for reimbursable repairs for any property.

3.7.6.3 Any repairs for which the Service Provider intends to seek reimbursement shall be performed as follows:

- The Service Provider shall ensure competition, fair pricing, and equal opportunity to all interested repair contractors. For all repairs estimated to cost $3,500 or more, the Service Provider shall use a competitive bidding process that ensures VA will obtain the best price possible. For all repairs estimated to cost less than $3,500, the Service Provider may use a quote process but shall ensure that all quotes are obtained in such a manner as to ensure that VA obtains the best price possible.

- The Service Provider shall inspect repairs to verify that they were performed in accordance with specifications and local safety standards, licensing, permits, and warranties and document results as appropriate.

- The Service Provider agrees to indemnify VA for, and assumes all liability associated with, the conduct of repairs. Liability includes, but is not limited to, the following: injuries to employees, contractors, visitors, customers, inspectors, bystanders, and others; damage to property, personal property, vehicles, neighboring property, and other personal or real property whether owned by VA or not.

- Comply (and ensure subcontractors comply) with all environmental and hazard-related requirements (Federal, state, and local), including but not limited to hazard reduction and disclosure requirements related to lead-based paint, high pressure gas lines, underground storage tanks, radon, etc.

3.7.7 If multi-unit properties are occupied when acquired, and the occupants are not willing and able to purchase the property, the Service Provider shall determine whether it would be in VA's best interest to enter into a month-to-month rental agreement pending sale, or to have the occupants vacate. The Service Provider shall have discretion to determine the number of units to be rented and to solicit tenants for multi-unit properties. The rental of units within a multi-unit property is to be used solely as a marketing tool to aid in the sale of the property and the Service Provider shall avoid any activity that implies that VA prefers renting or long term occupancy over sale. The Service Provider shall not rent single family properties or enter into lease agreements without VA's prior written approval. For rental units, the Service Provider shall:

3.7.7.1 Consider landlord/tenant laws and ordinances.

3.7.7.2 Use VA Form 26-6725 for all rental agreements. The Service Provider shall ensure that all rental agreements meet local landlord/tenant laws and ordinances and shall ensure that local landlord/tenant laws and ordinances do not include landlord liabilities and requirements that may have a negative affect on VA's return on investment. The Service Provider shall maintain and show properties, and evict occupants as may become necessary.

3.7.7.3 Collect and deposit rents on behalf of VA. When the Service Provider determines that it is in VA's best interest to enter into a landlord/tenant relationship and to collect rent, the Service Provider shall collect rents on a monthly basis and shall deposit the full amount to a Treasury-approved depository.

3.7.8 Recommend demolition of a building to the CO-designated representative, if the building falls in one of the following categories:

- The Service Provider has inspected the property and determined the building provides no net salvageable value to VA, or
- A non-negotiable condemnation or demolition order has been issued by local municipal authorities.

The Service Provider shall provide supporting documentation to the CO-designated representative that it is in the best interest of VA to demolish the property. Once demolition has been authorized, the Service Provider shall manage the demolition process and sell the vacant lot.

3.7.9 Determine VA's liability for HOA or condominium fees, utility costs, and other costs levied prior to the foreclosure sale. The Service Provider shall obtain the CO-designated representative's approval prior to paying any such fees and costs for which VA is not legally liable.

3.7.10 Receive and pay bills that VA or the Service Provider rightfully owes as a result of VA's ownership and sale of the property, including homeowner or condominium fees, utility bills, etc. but not property taxes. See paragraph 2.6.1 for detailed information on reimbursable expenses.

3.7.11 Post sign on property that provides a point of contact for further information. Under no circumstances shall the sign imply that the property has been foreclosed or subject to distress.

3.8 Market Property

The Service Provider shall:

3.8.1 Conduct a Market Analysis, based on a physical inspection of the property, completing VA Form 26-0595v, Property Inspection Report and Market Analysis, and providing adequate supporting documentation, such as pictures to verify location and condition of property. The Market Analysis, and any revisions thereto, shall be signed by the individual whose opinion it represents. The individual who signs the original Market Analysis shall neither have access to, nor be informed about, the contents of either the Appraisal required in paragraph 3.7.3, or the foreclosure appraisal.

3.8.2 Develop a Marketing Strategy for each property using VA Form 26-6701. The Marketing Strategy shall be based on the Appraisal required in paragraph 3.7.3 and the Market Analysis

required in paragraph 3.8.1. The Marketing Strategy is a plan for obtaining an offer which maximizes VA's ROI within a timeframe comparable to the list-to-offer measure. The Marketing Strategy, and any revisions thereto, shall be signed by an authorized signatory of the Service Provider, and a hardcopy shall be maintained permanently in the property file. At a minimum, the Marketing Strategy shall include the following:

3.8.2.1 A narrative description of the repair and advertising/listing strategy. This statement shall describe the Service Provider's overall plan or "marketing strategy" for attaining VA's goal of the highest net return on investment for the property. The narrative shall also include a list of disclosures to be included in listings, the earnest money deposit required, and whether or not an installment contract purchase offer can be accepted.

3.8.2.2 An initial list price that shall remain in affect for a minimum of 20 calendar days. The initial list price shall not be less than the lower of the "as-is" value as identified in the Appraisal, or the "as-is" value as identified in the Market Analysis.

3.8.2.3 A minimum list price below which the property cannot be marketed. The Service Provider may list the property for sale at any price between and including the initial list price and the minimum list price. The minimum list price cannot be less than 85% of the initial list price, unless explicitly authorized by the CO.

3.8.2.4 The minimum acceptable net return. The Service Provider must establish a minimum acceptable net return (MANR) for each list price established and publicized (see Attachment C-8, Calculation Worksheets). The MANR is for VA and Service Provider use only and under no circumstances is it to be disclosed to the real estate community or potential purchasers.

3.8.2.5 Type of listing. The Service Provider shall make a determination regarding whether or not vendee financing should be offered. The determination shall be based on whether or not the property provides valid security for the anticipated vendee loan. The determination shall be documented in the Marketing Strategy. If vendee financing is available, the Marketing Strategy must include the loan term, if it is to be less than 30 years, and the minimum down payment required (see paragraph 3.8.5 for a detailed description of vendee loan requirements). If vendee financing is not available and offers are restricted to cash only, the Marketing Strategy must reflect this decision.

3.8.2.6 Repairs required. The Marketing Strategy shall identify repairs that are to be made to the property. Repairs must be conducted in accordance with paragraph 3.7.6.

3.8.2.7 In the event VA determines that the return on investment that the Service Provider is achieving is below the performance requirement (see Attachment C-5), VA reserves the right to modify how the Marketing Strategy is developed or revised or to modify the dollar threshold for repairs provided in paragraph 3.7.6.

3.8.3 Revise the Marketing Strategy once the minimum list price is reached, or unusual circumstances warrant. The Service Provider shall obtain recent market data and document the basis for the revision. Any revision to the Marketing Strategy must be signed by an authorized signatory of the Service Provider.

3.8.4 List properties for sale and advertise their availability as follows:

3.8.4.1 Advertise the availability of properties on an ongoing basis. Advertisements shall be placed to reach local communities and potential purchasers according to local practice.

3.8.4.2 Make properties available for a simultaneous listing period for each new and revised listing price before any offer can be evaluated. All simultaneous listing periods shall last for a minimum of three business days. Following each simultaneous period, properties will be considered under extended listing, continuing availability at the list price until a revised list price has been publicized or offer accepted.

3.8.4.3 Inform real estate community/industry of VA program requirements, including availability of vendee loans, terms of vendee loans (such as down payment requirements, interest rate, funding fee, etc.), funding fee, earnest money deposit requirements, any limitations on closing costs that VA will pay, etc.

3.8.4.4 Ensure that all advertisements are in accordance with VA's Advertising Guidelines for Fair Housing (VA Form 26-0585) and Regulation Z Section 226.24.

3.8.5 Offer vendee financing. The Service Provider shall make vendee financing available to purchasers of qualifying VA-acquired property. (Offers relying on vendee financing are referred to as term offers.) The Service Provider shall determine whether or not the property provides adequate security for the loan and if so, what the maximum term of the loan should be, up to 30

years. If the property does not provide adequate security for a vendee loan of 30 years, then the Service Provider shall document the reason in the property file and disclose the restriction in any listing for sale. The interest rate and minimum down payment requirements for vendee loans is set by VA. In evaluating the acceptability of offers, a "cash equivalency factor" is applied to vendee loans so that the net to VA of the offer reflects its true cost to VA. Vendee loans can be mortgages or installment contracts, as allowed by state and local laws and regulations. Current interest rate, down payment requirements, cash equivalency factor, and other terms and conditions associated with vendee loans, will be provided to the Service Provider upon award and will be subject to change by VA. A funding fee will ordinarily be collected with each vendee loan. This fee will be collected in cash or certified funds at closing and may not be added to the loan balance. The vendee loan funding fee may not be collected from a veteran who is receiving compensation (or who but for the receipt of retirement pay would be entitled to receive compensation) or from a surviving spouse as described in 38U.S.C. §3701(b)(2).

3.8.6 Require earnest money deposit to be paid by successful offeror upon acceptance of contract. The amount of the earnest money deposit shall be comparable to those required locally and large enough to discourage purchaser from reneging on a contract for sale.

3.8.7 Consider selling property prior to listing only in limited circumstances as discussed in this paragraph. The Service Provider may sell properties prior to listing to occupants, former owners, VA-approved homeless providers, local non-profit historic preservation organizations, and local governmental agencies. When an expression of interest is received from one of these entities after a property has been listed for sale, these entities shall have no preference over other offerors. No sales commission will be paid when property is sold to one of these entities prior to listing. When sales to these individuals and entities are considered, the Service Provider must ensure the following minimum conditions are met:

3.8.7.1 Former owners – Sales to former owners shall be made at a price that reflects VA's total investment. Details about calculating this price will be provided upon award. Vendee financing may be offered, however, minimum down payment requirements cannot be waived.

3.8.7.2 Tenants – Sales to occupants shall be at the anticipated initial list price. Vendee financing may be offered. A Marketing Strategy must be developed to document these and all other applicable terms of sale.

3.8.7.3 VA-approved homeless providers – VA-approved homeless providers are non-profit organizations that provide housing to homeless veterans that have been approved by VA and may be entitled to a reduced price. The Service Provider shall receive and process offers from and close sales to VA-approved homeless providers, including providing vendee financing when authorized, using VA guidelines that will be provided upon award.

3.8.7.4 Local non-profit historic preservation interests and governmental agencies – Sales to these entities will be at the anticipated initial list price and for cash only. The Service Provider shall ensure that each entity and each individual representing the entity has the legal authority to enter into the sale contract.

3.9 Sell Property

The Service Provider shall:

3.9.1 Receive, evaluate, and respond to offers as follows:

3.9.1.1 Receive offers to purchase. Offers to purchase shall not be received or considered prior to the property being listed for sale, except as explicitly provided for elsewhere in this document. Offers to purchase must be submitted on VA Form 26-6705 and must not rely on any contingencies other than obtaining financing. Offers to purchase that rely on vendee financing must also include a completed VA Form 26-6705b, Credit Statement of Prospective Purchaser for the purchaser and any co-purchaser who is not the spouse of the purchaser. The Service Provider shall maintain all offers in a secure manner and prevent the release of information about offers so that the integrity of the bidding process is preserved.

3.9.1.2 Evaluate offers to purchase. Review offers to determine whether acceptance of the offer is in VA's best interest. An offer is to be selected as in the best interest of VA as follows:

3.9.1.2.1 All offers received during the initial and any subsequent simultaneous listing periods, are considered to be received simultaneously. Similarly, offers received outside a simultaneous listing period, but on the same day, are also considered to be received simultaneously.

3.9.1.2.2 The Service Provider shall determine whether an offer is acceptable, or in the event of multiple offers, which of the offers, if any, should be selected as the best for VA. The Service Provider shall select as best for VA the offer that meets the following criteria:

- Produces a net to VA that is equal to, or greater than, the established Minimum Acceptable Net Return (MANR), (see Attachment C-8, Calculation Worksheets),
- Produces the Highest Net Return (HNR) among all offers received simultaneously (see Attachment C-8, Calculation Worksheets), and
- Otherwise meets the terms of the listing.

3.9.1.2.3 If two or more offers provide the same HNR, the following criteria are to be applied in descending order to determine the best offer:

- veteran over non-veteran;
- owner-occupant over investor;
- actual time of offer receipt; and,
- if the offers are received at the same time, a flip of a coin or drawing of lots should be used to break the final tie.

3.9.1.3 Respond to offerors and their brokers as follows:

1. If the offer selected as best for VA is a cash offer, the Service Provider shall accept the offer by ratifying the offer to purchase and notifying the offeror and broker. The Service Provider shall provide the offeror and broker appropriate contract documents and an estimated HUD-1 showing the anticipated "amount due seller."

2. If the offer selected as best for VA is a term offer, the Service Provider shall notify the offeror and broker that the offer has been approved pending vendee loan approval. The notice of offer approval must make clear that offer acceptance is contingent on vendee loan approval. The Service Provider shall NOT ratify the contract at this time. The Service Provider shall provide RESPA notices as required, using VA Form 26-8513 and VA's internal Settlement Cost Booklet.

3. Provide the following forms and documents to purchaser and request that they be signed and returned as appropriate:

- any disclosure or as-is acknowledgment form not obtained with offer,
- Counseling Checklist for Military Vendee Homebuyers (VA Forms 26-0160),
- State of Virginia Addendum to Offer to Purchase (VA Form 26-6705d), FEMA Flood Hazard Determination,
- (FEMA Form 81-93), and Notice of Possible Lead-Based Paint and/or Lead Based Paint Hazards (VA Form 26-6705e).

4. The Service Provider shall notify unsuccessful offerors and their brokers of why their offers were not accepted.

3.9.1.4 Collect earnest money deposit or, if prohibited, verify that appropriate party has done so.

3.9.1.5 Refuse to accept offers directly from prospective purchasers. VA believes that it is in both VA's and the purchaser's best interest to have the purchaser represented by real estate professionals. Because of the need for prospective purchasers to gain access to the property and to appropriately understand all elements of the transaction, the Service Provider is strongly discouraged from considering such direct offers. If a direct offer is considered, the evaluation under paragraph 3.9.1.2 shall include the full cost of broker fees even though none will be paid.

3.9.2 Process vendee loan requests as follows:

3.9.2.1 Obtain and verify necessary information about the offeror's credit worthiness and ability to pay, as set forth in 38 C.F.R. §36.4337 and in accordance with appropriate sections of VA Pamphlet 26-7, the Lender's Handbook (http://www.va.gov/vas/loan/lenders.htm) and complete an analysis of credit and income using VA Form 26-6393. As part of this evaluation, the Service Provider shall use the Credit Alert Interactive Voice Response System (CAIVRS) to determine whether the offeror has previously defaulted on a federally-assisted loan (instructions for CAIVRS are available in VA Pamphlet 26-7).

3.9.2.2 Approve vendee loan applications as allowed in 38 C.F.R. §36.4337 and Chapter 5 of VA Pamphlet 26-7, subject to the following:

3.9.2.2.1 The Service Provider may approve any vendee loan in which the offeror's down payment is 20% of the sale price or more, regardless of debt-to-income ratio or residual income;

3.9.2.2.2 The Service Provider may approve a vendee loan in which the offeror's debt-to-income ratio does not exceed 50%. If the offeror's residual income does not meet or exceed the guidelines in the Lender's Handbook, than the loan cannot be approved unless it is thoroughly justified by compensating factors.

3.9.2.2.3 The Service Provider may approve any vendee loan in which the offeror's debt-to-income ratio does not exceed 60% and the offeror's residual income and is at least 20% above the guidelines in the Lender's Handbook.

3.9.2.2.4 If loan approval must be justified by compensating factors, the loan approval and written justification must be signed by two people, at least one of whom must be an authorized signatory of the Service Provider.

3.9.2.3 If an offeror does not qualify for the vendee loan but the Service Provider believes it would be in VA's best interest to accept the loan, the Service Provider may refer the application to the CO-designated representative with an explanation of why they recommend approval of the loan including appropriate supporting documents. The Service Provider shall consider any such vendee loan application forwarded to VA to be rejected if not approved within 5 business days.

3.9.2.4 Disapprove vendee loan applications that are not approved.

3.9.2.5 If the vendee loan is approved, the Service Provider shall:

- Assign a new vendee loan number in accordance with VA's vendee loan numbering system (details on the numbering system shall be provided upon award of the contact);
- Establish a closing date;

- Ratify the offer to purchase and notify the offeror and broker. The Service Provider shall provide the offeror and broker appropriate contract documents and an estimated HUD-1 showing the anticipated "amount due seller;" and

- Proceed with sale closing requirements.

3.9.2.6 If the vendee loan is disapproved, the Service Provider shall provide notice to the offeror and their broker in accordance with the Fair Credit Reporting Act.

3.9.3 Close sales as follows:

3.9.3.1 Ensure that all closings, cash and term, are held as soon as possible after ratification of the offer and comply with RESPA. The Service Provider shall ensure that closings are timely, accurate, and in accordance with both local practices and the requirements of this PWS. Closings shall be conducted by professional closing agents. The purchaser is to pay the closing agent's costs, unless the Service Provider provides closing agent services. If the Service Provider provides closing agent services, the Service Provider shall not receive any payment or compensation from the purchaser.

3.9.3.2 Obtain the following from purchasers as appropriate: signed Disclosure/As-Is Acknowledgment form, Counseling Checklist for Military Vendee Homebuyers (VA Forms 26-0160), State of Virginia Addendum to Offer to Purchase (VA Form 26-6705d), FEMA Flood Hazard Determination, (FEMA Form 81-93), and Notice of Possible Lead-Based Paint and/or Lead Based Paint Hazards (VA Form 26-6705e).

3.9.3.3 Prepare and sign a deed transferring the property from VA to the purchaser, and provide all necessary closing and settlement documents to closing agent having ensured the following: (1) the documents accurately reflect the transfer of title to the intended purchaser and (2) settlement costs are accurate.

3.9.3.4 Obtain a one year prepaid hazard insurance policy from those purchasers using vendee loans. If hazard insurance is covered under an HOA, obtain proof of insurance coverage.

3.9.3.5 Collect funding fee if purchaser is using vendee loan.

3.9.3.6 Pay sales commissions and other closing costs at closing from the proceeds of sale. In the event that the sale proceeds are insufficient to pay the full sales commission, the Service Provider shall advance the difference necessary to pay the commission, and shall seek reimbursement on the monthly consolidated invoice. Limitations on the payment of closing costs will be provided by the CO at the time of award and are subject to change from time-to-time by the CO.

3.9.3.7 Ensure that all sale proceeds are made payable to VA and deposited into a Treasury-approved depository before the end of the next business day.

3.9.3.8 Resolve disputes related to closing costs and prorations. In resolving these disputes, the Service Provider shall ensure that resolutions (1) are fair to all parties, and in VA's best interest; (2) are documented in writing, and acknowledged by both the purchaser and the Service Provider; and, (3) comply with the terms of this contract, and with the terms of the offer to purchase. The authority of the Service Provider to resolve disputes does not apply to repairs, maintenance, or sale price.

3.9.3.9 If property damage is discovered after an offer has been selected as best for VA, the Service Provider shall evaluate the damage to determine VA's liability. The Service Provider shall document the damage and determine its affect on the value of the property, whether repairs should be made, and whether an adjustment to the sale price is warranted. In all cases, the Service Provider shall obtain the purchaser's prior written agreement with the repairs or make adjustments to the sale price and not perform the repairs. If the Service Provider's approach is not satisfactory to the purchaser, the purchaser may withdraw the offer without loss of earnest money deposit. If the offer is withdrawn, the Service Provider shall consider back-up offers, re-list the property for sale, or revise the Marketing Strategy, as appropriate.

3.9.3.10 Prohibit occupancy prior to closing. The purchaser shall not be allowed to occupy or store belongings in properties prior to closing.

3.9.3.11 In the event a successful offeror withdraws its offer after ratification and acceptance of the offer, the service provider shall deposit the earnest money deposit into a Treasury-approved depository on behalf of VA.

3.9.4 Close out records as follows:

3.9.4.1 Following sale closing, the Service Provider shall receive and review closing documents to ensure the accuracy of title transfer and seller proceeds.

3.9.4.2 The Service Provider shall deposit funds received at closing in a Treasury-approved depository and send a copy of the HUD-1 with any addenda signed by the purchaser, before the end of the first business day following closing.

3.9.4.3 For cash closings, transmit the following closing documents to the CO-designated representative within three business days after closing:

- A copy of the executed legal instruments ,
- The original and one copy of the HUD-1 Settlement Statement along with any addenda signed by the purchaser,
- The original executed Disclosure/As-Is Acknowledgment,
- A copy of the executed VA Form 26-6705, “Offer to Purchase and Contract of Sale,” and
- The original executed VA Form 26-6705e “Lead-Base Paint and Lead-Based Paint Hazard Disclosure.”

3.9.4.4 For term closings, set up new vendee loan records as follows:

3.9.4.4.1 Vendee loan file. The Service Provider shall prepare a vendee loan file. Once a month, VA will provide the Service Provider with a list of vendee loan files to be sent to VA’s loan servicing agent. The Service Provider shall ship the list of files as directed in the instructions that accompany the list.

3.9.4.4.2 Safekeeping document package. The Service Provider shall prepare and hold the safekeeping document package until notice of loan sale at which time, these documents will become part of the trust folder for each loan. This package must be separately maintained, and secured against

unauthorized removal and destruction by fire. The package shall contain documents such as those listed below:

1. The original of all executed legal instruments
2. A copy of the HUD-1
3. A copy of the insurance policies or binders and paid receipt
4. Title policy in VA's name received from foreclosing lender

3.9.5 Prepare, record, and ship vendee loan sale documents

The Service Provider shall:

3.9.5.1 Receive loan sale instructions and a list of vendee loans to be sold approximately every three months. The Service Provider shall verify that each loan meets the requirements for sale and identify those vendee loans that do not meet sale requirements and are therefore to be "excluded" from the loan sale. The Service Provider shall adhere to the loan sale instructions in addition to the other requirement specified here.

3.9.5.2 For each vendee loan to be included in the loan sale, the Service Provider shall perform the following:

- Endorse the original deed of trust or other legal instrument.
- Prepare and execute assignments.
- Record assignments and pay associated fees.

3.9.5.3 Prepare a trust folder for each loan, containing original legal instruments, a copy of the executed assignment of the deed of trust, and other documents as required in the loan sale instructions. For blanket assignments, one copy of the blanket assignment will be included in each folder.

3.9.5.4 Ship trust folders to the Trust address provided in the loan sale instructions to be provided at the time of loan sale.

4.0 INFORMATION TECHNOLOGY REQUIREMENTS

The primary objectives of the Service Provider's connectivity and data management activities are to:

- Maintain detailed property data that reflects the current status of the property and the Service Provider's Marketing Strategy, expenses incurred, and potential for recovery of VA's investment.

- Establish a seamless method for maintaining and transmitting property data to VA so that VA's current property data and inventory reporting procedures continue.

The Service Provider shall establish a property tracking system and shall ensure that an electronic record is established for each property upon assignment. The Service Provider shall ensure that electronic records are maintained so that they consistently and accurately reflect current property status, past property activity, expenditures made for each property, and expenditures planned and/or authorized but not paid.

The Service Provider shall transmit electronic property data to VA on a daily basis unless otherwise agreed to between the Service Provider and the CO. The data fields that must be transmitted to VA are identified in Attachment 9, PLAN/PMS Information. The Service Provider shall ensure that all transmissions are secure from tampering and from damage by viruses.

The Service Provider may use PLAN to meet these requirements. If the Service Provider elects to use PLAN, the Service Provider agrees to take full responsibility for any operation or maintenance; VA will not maintain the system.

5.0 SECURITY REQUIREMENTS

The Service Provider is solely responsible for the security of all materials, documents, and information provided for or obtained in the course of performing the requirements of this contract. In addition, upon request, the Service Provider shall submit the name and address of each employee hired for work on this contract and provide completed questionnaires and other forms when required for security purposes. The Service Provider shall comply with the following on disclosure of information:

- Neither the Service Provider nor any of its employees or affiliates shall disclose or cause to be disseminated any information concerning the operations of the activity which could result in or increase the likelihood of the possibility of a breach of the activity's security or interrupt the continuity of its operations. This includes dissemination of information that might result in a negative impact to VA's ROI.

- Disclosure of information relating to the services hereunder to any person not entitled to receive it, or failure to safeguard any sensitive information that may come to the Service Provider or any person under his/her control in connection with work under this contract, may subject the Service Provider, his/her agents or employees to criminal liability under Title 18, Sections 793 and 798 of the United States Code.

- All inquiries, comments or complaints arising from any matter observed, experienced, or learned as a result of, or in connection with the performance of this contract, the resolution of which may require the dissemination of official information, shall be directed to the CO.

- Deviations from, or violations of, any of the provisions of this section may, in addition to all other criminal and civil remedies provided by law, subject the Service Provider to immediate termination for default, and/or subject the individuals involved to a withdrawal of the government's acceptance and approval of employment.

- Neither the Service Provider nor any of its employees or affiliates shall disclose or cause to be disclosed either the minimum acceptable net return, or information about any offers to purchase property.

6.0 PERFORMANCE MANAGEMENT REQUIREMENTS

This section identifies performance management requirements, including the operating plans the Service Provider must have in place, and the quality control and personnel requirements the Service Provider must meet.

6.1 Operating Plans

The Service Provider shall develop and maintain a Quality Control Plan, Regional Marketing Plans, and a Contingency Plan. Each document must be updated as needed or as directed by the CO. Each document, and revisions thereto, shall be provided to the CO for review and approval:

6.1.1 Quality Control (QC) Plan. The QC Plan must identify the procedures the Service Provider will use to ensure performance is at least as good as the standards identified in Attachment C-5, Performance Requirement Summary, and the requirements in paragraph 6.2, Quality Control Requirements. All employees shall be trained in relevant parts of the QC Plan.

6.1.2 Regional Marketing Plans. The Service Provider shall define regional markets within the geographic area for which property may be assigned to the Service Provider. Each Regional Marketing Plan shall identify the Service Provider's approach to disposing of property within the region in a manner that maximizes ROI and VA's interests. The Plans shall include, but not be limited to, the following: primary method of listing property for sale (e.g., Multiple Listing Service, listings in local newspapers, etc.), use of additional methods of advertising, methods for advising real estate industry about vendee loan requirements, how the initial list price and other elements of the Marketing Strategy for each property will be determined (e.g., whether initial list price should be at the appraised value, 10% above the value identified in the Market Analysis, etc.).

6.1.3 Contingency Plan. The Contingency Plan shall address the gravest as well as the most likely problems that might arise, and the Service Provider's planned response to the adverse events. At a minimum, the Plan shall cover the following:

- Subcontractor default;
- Deep regional recession;
- Response to serious natural disaster;

- Employee strike; and
- Increased geographic area to cover default by another VA PM contractor.

6.2 Quality Control Requirements

The Service Provider shall be responsible for the quality of all work under this contract. Acceptable quality is defined as:

1) the highest possible return is provided on VA's investment for each property, taking into consideration the objectives of selling properties as quickly as possible for the best obtainable price,

2) receipt by VA of timely marketable title, and

3) vendee loans are of good and marketable quality.

Another critical aspect of the Service Provider's quality control is management of workforce members, subcontractors, and all other affiliates in order to ensure compliance with contract requirements, meet the above quality elements, and limit VA's risks.

The Service Provider's quality control program shall ensure that all aspects of this contract are performed completely and appropriately, and shall contain a plan for corrective action when deficiencies or insufficient performance are identified. When defective performance is noted through VA's QA activities, VA will request that the Service Provider correct the defective performance, or provide a plan for corrective action. The Service Provider will respond to this request in writing within two business days of receipt.

6.3 Personnel

6.3.1 Key Personnel. Key personnel are management and technical personnel that are critical to, and essential for, the successful performance of this contract. The Service Provider shall ensure that the following key technical personnel are in place during all phases of this contract:

6.3.1.1 Program Manager. A Program Manager shall be designated by the Service Provider to manage the performance of all work under this contract and shall be available by telephone during normal business hours. The Service Provider Program Manager shall be the primary point of contact between the Service Provider and the VA's CO. The

Service Provider shall also designate an alternate or Deputy Program Manager to perform in the absence of the primary Program Manager. The Service Provider Program Manager shall provide effective liaison between all Service Provider representatives and VA representatives to ensure that performance is in compliance with contract requirements.

6.3.1.2 Representatives. The Service Provider shall designate representatives to serve as the sole contact points (other than the Program Manager) between the Service Provider and the CO-designated representatives. The Service Provider shall establish a method for ensuring that these representatives maintain effective liaison with CO-designated representatives. The specific number of Service Provider representatives required for each VA region will correspond to the number of CO-designated representatives for the VA region, and will be determined upon award.

6.3.2 Authority to Sign Documents. The Service Provider shall execute, on VA's behalf, all documents associated with, and necessary to, accomplish the tasks and requirements under this contract.

6.3.2.1 Service Provider Request for Signature Authority. To establish the Service Provider's authority to sign documents, the Service Provider shall provide VA the names of key personnel with signature authority to sign both legally binding and routine documents. Only the key personnel listed above may have this "signature authority" (while it is permissible for all key personnel to have signature authority, the Service Provider has the discretion to limit the number of key personnel actually granted the authority). The Service Provider shall obtain VA's prior written approval to grant signature authority to non-key personnel. Such requests will be addressed to the CO.

The Service Provider shall provide the following within no less than 15 calendar days prior to starting full performance of services under this contract and hereafter, either at VA's request or whenever the contractor reorganizes or makes staff changes that affect the corporate resolution:

- A copy of the "Corporate Resolution" or comparable documents listing the positions or job titles having authority to sign legally binding documents (e.g. offers to purchase and addenda, closing instruments, closing forms, etc.) on behalf of the Service Provider.

- If different, a list of positions or job titles that have authority to sign certain management and marketing documents (e.g. market analyses, repair inspections, reports, monthly invoices, etc.) on behalf of the Service Provider.

6.3.2.2 VA Issuance of a Limited Power of Attorney. VA will issue a Limited Power of Attorney (POA) to the Service Provider specifically identifying the documents persons holding the identified positions, who may sign on behalf of the Secretary of Veterans Affairs. The Service Provider shall ensure that VA's interests are fully protected and that use of the POA is in compliance with all applicable laws in each geographic region covered by this contract. The Service Provider shall ensure that only the persons occupying identified positions and granted the authority to sign documents identified in the POA are allowed to sign VA documents. The actual POA will be provided within 30 calendar days of receipt of the above required information.

6.3.2.3 Service Provider Documentation of Signature Authority. The Service Provider shall maintain a list of all persons with signature authority and shall update it as needed to reflect changes in authority. This list shall contain the person's name, position/title, the date authority began, and the date authority was withdrawn. The POA will not be revised for each position change. VA's CO-designated representatives will maintain copies of the POA and the Service Provider's authorization list for verification of proper use of these authorizations. In the event that the Service Provider eliminates a position identified in, or wishes to add a new position to the POA, the Service Provider shall provide a written request to the VA CO.

6.3.3 Meetings. The Service Provider's program manager (and other key personnel as the Service Provider designates) shall be required to attend status/performance meetings as follows:

6.3.3.1 Kick-off Meeting. The first meeting will be a kick-off meeting that shall be held within the first 10 calendar days after award. The kick-off meeting will be held at VA Central Office, Washington, DC.

6.3.3.2 Progress Meetings. There shall be a progress meeting approximately 30 calendar days prior to the start of the base period of the contract to discuss the Service Provider's progress in preparing to begin full performance under the contract. This meeting will be held at the Service Provider's corporate office, or one of their regional offices.

Additional progress meetings may be held at the request of either the Service Provider or the CO.

6.3.3.3 Routine Operational Meetings, Conference Calls, and Discussions. These meetings, calls and discussions will be held as needed to answer questions and resolve issues as they arise, and to ensure continued compliance with contract requirements. The operational meetings will generally be held at the applicable VA office.

6.3.3.4 Performance Meetings: During the first quarter of the Base Period of the contract, meetings will be conducted as performance warrants and may occur weekly. The Contracting Officer will determine at what point meetings will occur less frequently. Performance meetings will be conducted after the end of each quarter on a rotational basis at VA Central Office and the Service Provider's Corporate Headquarters to discuss performance under the contract.

The Service Provider shall take minutes at the kick-off, progress and performance review meetings and shall provide copies to the Contracting Officer and other attendees.

6.3.4 Employees. The Service Provider shall recruit, hire, and train a sufficient workforce to handle the duties and requirements associated with this contract. All Service Provider workforce members assigned to duties and requirements associated with this contract will be trained in, and knowledgeable about, both private real estate transactions and the requirements of this contract. In addition to a basic knowledge of private real estate transactions, workforce members shall have a background and training in their specific Service Provider duties and requirements. See Attachment 1 for definition of "workforce."

6.3.4.1 The Service Provider shall ensure that all Service Provider representatives entering VA-acquired properties to perform services required under this contract shall carry proper identification and/or documentation of the basis of their visit.

6.3.4.2 The Service Provider shall not employ or affiliate with current or recent employees of the U.S. government if their employment would create a conflict of interest. The Service Provider shall obtain the written approval of VA's General Counsel prior to hiring or affiliating with such persons. Requests for this approval shall be submitted to the CO.

6.3.4.3 The Service Provider shall verify that individuals and companies seeking employment or affiliation to perform under this contract are not excluded, suspended, or otherwise barred from participation in government programs. The Service Provider shall verify such by checking both VA's National Control List at http://152.124.238.193/ncl/romenu.htm, and the GSA Debarment and Suspension List at http://www.arnet.gov.epls.

7.0 TRANSITION REQUIREMENTS

Within 135 days (120 days if PLAN is used) of the contract award, the Service Provider shall begin performance of all requirements under this PWS, and conduct management and sales of assigned properties at all locations for all VA-acquired properties. Full responsibility for assignment of property and property management and sales will be assumed by the Service Provider over a four part phase-in period.

7.1 Phase-In Performance

7.1.1 Phase I – Start up. The following shall apply during this phase:

7.1.1.1 This phase includes all of the preparation activities, including but not limited to establishing the infrastructure to perform under this contract, ensuring a qualified workforce is in place, providing appropriate training for that workforce, and implementing the information technology and information technology support necessary to fully perform the requirements contained in this PWS.

7.1.1.2 The kickoff meeting and initial progress meeting will be held.

7.1.1.3 Service Provider site visits to VA offices as requested by Service Provider

7.1.1.4 The Service Provider shall have 45 days to complete Phase I if using PLAN or 60 days if not using PLAN

7.1.2 Phase II – Testing and Reviews. The following shall apply during this phase:

7.1.2.1 This phase includes joint systems testing with VA using dummy records, reviews of Service Provider QC and workplans, etc., as well as VA site visits at Service Provider offices.

7.1.2.2 It is expected that both system and procedural issues will be identified during the kickoff meeting, and that problems will be fully resolved during the initial 90 day phase-in period.

7.1.2.3 Progress meetings may be held if necessary.

7.1.2.4 The Service Provider shall have 30 days to complete Phase II requirements

7.1.3 Phase III – Live Testing. The following shall apply during this phase:

7.1.3.1 This phase includes live testing of data transmissions to and from the Service Provider

7.1.3.2 The Service Provider shall receive a limited number of actual property assignments. During this test period, one VA Region will begin assigning properties to the Service Provider for full performance. The Service Provider shall use this test period to correct any remaining problems and shall coordinate resolution of major issues that may arise with the Contracting Officer full service support as defined in this PWS to be performed by the Service Provider.

7.1.3.3 The Service Provider shall generate live reports.

7.1.3.4 The Service Provider shall have 15 days to complete Phase III requirements.

7.1.4 Phase IV – Assignment of Properties. The following shall apply during this phase:

7.1.4.1 The initial assignment of properties to the Service Provider will be made in two phases. The first phase will be within 20 calendar days of the start of this phase, and will include all properties currently in inventory but not under contract. The second phase will be approximately two weeks later, when VA will assign all remaining properties to the Service Provider.

7.1.4.2 VA anticipates completing this phase within 30 days.

7.2 Full Performance

The Service Provider is expected to be at full performance at the end of Phase IV of the Phase-In Period.

7.3 Periods of Performance

The period of performance for the Phase-In Period will begin at Contract Award and last for not more than five months. The Base Period of the contract will be a full year and will begin on __(TBD)_____ and end on ___(TBD)_____. The First through Fourth Option periods will each be one-year long. The phase-out period will begin at the end of the last option exercised, and continue for 180 calendar days.

7.4 Phase Out Performance

Phase-Out Performance consists of all the preparation and activities necessary to ensure that all VA-acquired properties continue to receive the high level of attention, maintenance, marketing, and return on investment as properties received through the life of this contract.

The Service Provider shall continue to provide full service under this contract for all properties remaining in its inventory at the completion of the last option exercised, and shall retain all properties in its inventory until sold. At its sole discretion, VA may withdraw or transfer assignment of properties for which an offer has not been selected. In such cases, the Service Provider shall not be entitled to the final fee for the withdrawn property.

Phase out shall begin immediately after the end of the last option period exercised, at which time, the VA will discontinue making new assignments. The Phase-Out Period shall last for a maximum of 180 calendar days. All properties must be sold, with sale closings to be held, and files and data shipped to VA, by the last day of the phase out period. The costs related to the properties will be paid from the CLINs for the Base Rate Fees or the Reimbursables as appropriate. Within 30 calendar days after the end of the Phase-Out Period, the Service Provider shall provide a final invoice and a final copy of all recurring reports, along with a narrative report on the success and difficulties of each of its regions. The Service Provider shall ensure that the final invoice and reports, and all files submitted during the Phase-Out Period, are accurate and complete, and that these files provide the same high level of quality provided during the base and option periods.

ATTACHMENT C-1, DEFINITIONS

Accepted Offer. An offer to purchase property that has been accepted as best for VA and is not contingent on approval of vendee financing.

Acquired Property. Real estate acquired by VA as a result of the foreclosure of a veterans VA guaranteed loan or acceptance of a deed-in-lieu of foreclosure by the veteran's loan Holder, or the foreclosure of a loan or termination of an installment contract from the portfolio of loans serviced by VA (vendee loan, direct loan, etc.).

Adversely Occupied. Property status indicating occupancy by any person(s) who have not been accepted by VA as tenants pending further action.

Affiliate. A person or business associated with the VA Property Management Operation or the Service Provider as follows:

- VA-Affiliate: VA Property Management employees with jurisdiction over the property under consideration, including the Loan Guaranty Officer and the Assistant Loan Guaranty Officer. Also, such employees' spouses, parents, in-laws, children, stepchildren, brothers and sisters, and co-habitants.

- Service Provider Affiliate: All individuals, companies, or other entities with which any Service Provider owner or workforce member or subcontractor owner or workforce member has a personal or financial interest. Also, the Service Provider and its workforce members' spouses, parents, in-laws, children, stepchildren, brothers, and sisters and co-habitants.

Aged Property. Any property in VA's inventory for nine months or more.

All Cash Sales. Includes all sales in which VA receives the entire net proceeds of the sale in cash, certified check, etc. This includes sales involving outside financing (cash-financed) and cash-on-hand (cash-cash) transactions.

Approved Offer. An offer to purchase property that has been accepted as best for VA but is contingent on approval of vendee financing.

As-is. The condition of the property at the time it is listed for sale.

Assignment. The designation or appointment of a private management company to manage and sell a specific VA-acquired property, but explicitly not the transference of any interest in, or rights or title to the property to the private management company.

Assignment Date. The date VA assigns a property to the Service Provider for management and disposition.

Awaiting Eviction. Property status indicating legal assistance has been requested to obtain possession of all or part of an acquired property.

CAIVRS. Credit Alert Interactive Voice Response System. CAIVRS is a HUD-maintained computer information system that enables both the Government and participating lenders to learn when a potential borrower has previously defaulted on a federally assisted loan.

Central Office. VA Headquarters office for the Department of Veterans Affairs.

Conveyance. The tender of a property to VA by the former loan Holder.

Dispose or Disposition. As applied to property, to sell, reconvey, have redeemed, or otherwise transfer from VA ownership of the property to another party.

Eviction. The legal process of forcing an occupant to vacate property.

Fair Market Value. The value at which property would be expected to sell if it were sold on the open market in as-is condition.

Former Owner. Any party who previously owned the property at issue or who was or is the spouse, parent, or child of such a party.

Holder. The lender, or any subsequent assignee or transferee of the guaranteed obligation, or the authorized servicing agent of the lender, the assignee, or transferee, if the obligation has been assigned or transferred.

Holding Time. The number of months that VA has a property in inventory; the time from the date the property is conveyed to VA to the date of sale.

Identity of Interest. Any individual or entity directly or indirectly controlling or controlled by or under the direct or indirect common control with the Service Provider. This includes, but is not limited to,

subcontractors, affiliates, exclusive arrangements, or any individual or entity in which the owner, manager, or staff have any familial relationship with the owners, managers, or staff of the Service Provider.

Initial List Price. The first price for which property is listed for sale after the Marketing Strategy is developed or revised.

LGY/Loan Guaranty Service. VA Operation responsible for the Loan Guaranty Program.

List Price. The price for which the property is listed for sale. Includes the initial list price and any subsequent revised list prices.

Listing Date. The date a property is listed/advertised for sale to the public. Includes the initial listing and any subsequent revised listings.

Loss Payee Clause. The Secretary of Veterans Affairs, an Officer of the United States of America, successors or assigns, C/O (as of this writing) Seasons Mortgage Group, Inc., 9325 Midlothian Turnpike, Suite A, Richmond, VA 23235-4943.

Maintenance. Actions taken to prevent deterioration to property; maintain property in a clean, safe, and sanitary condition; or eliminate or reduce hazards.

Offeror. Person, persons, or organization that submits an offer to purchase a VA-acquired property.

PLAN/Property Management Local Area Network. VA's internal Windows-based property tracking local area network.

PMS/Property Management System VA's centralized automated legacy property tracking system used to track and manage the acquisition and disposal of VA-acquired properties.

Possession. The legal right to enter upon property and control the conditions under which others may do so. For VA property, possession is obtained when any previous occupants have vacated and the property has been appropriately secured against unlawful entry.

Program Participants. The individuals and organizations external to VA that participate in the PM operation, including property managers (Management Brokers), Sales Brokers, Closer, Holders, advertising contractors, suppliers of goods and services (e.g., credit bureaus, repair contractor), etc.

Property. Generally, "property" as used in this document, refers to VA-acquired property.

Property Identification Number. The unique number given each property acquired by VA.

Reconveyance. The transfer of title to a VA-acquired property back to the Holder. Generally, due to the Holder's failure to provide VA marketable title or failure to provide title within VA's prescribed time frames.

Redemption Rights. Any law or accepted practice that provides a current or former owner or occupant of property with an opportunity to retain or regain possession of the property

Reimbursable. Expenses incurred by the Service Provider in the course of managing and selling VA-acquired properties, and specifically identified by VA as qualified for reimbursement.

Repair. Actions taken to correct defects, restore, improve, or add function; or increase longevity or value.

Return on Investment/ROI. The rate of return VA receives on its investment in a property or a group of properties.

RLC/Regional Loan Center. Loan Guaranty consolidated offices that handle nationwide loan processing and loan service and claims functions, as well as the two functions handled at the smaller regional offices, property management, and construction and valuation.

Sales Broker or **Selling Broker** or **Broker**. A real estate broker acting on behalf of a prospective purchaser of a property.

Service Provider. The organization responsible for performing the work specified in this PWS.

Sold Property. Property status indicating a full transfer to a new owner. Established based on receipt of the HUD-1 by VA.

Tax. In this document, "tax" refers to property tax or special assessment tax.

Tax Payment Vendor. The contractor that VA uses to pay property taxes. VA will provide the name, mailing address, phone and facsimile numbers, and points of contacts for the tax payment vendor to the Service Provider.

Term Sales. Includes all sales in which VA extends credit to the purchaser for the repayment of a portion of the purchase price.

Title Date. The date title is determined to be acceptable to VA.

Title Subject to Redemption. In redemption States, this category will include all cases where title has been approved, but for which redemption rights are outstanding. In non-redemption States, no cases will be reported in this category.

VA. Department of Veterans Affairs (Not Veterans Administration).

VA-Acquired Property. See Acquired Property.

VA Central Office. VA's Headquarters located in Washington DC.

Vendee Loan (VA Direct). A mortgage loan offered by VA for some VA-acquired properties.

Workforce. All individuals and companies, including employees, subcontractors, partners, those under teaming agreements, and all other such persons and or entities that provide services to the Service Provider for VA acquired properties regardless of the type of association and payment.

Workload. The sum of processes and tasks associated with meeting the purpose of an office or organization; in this case, all effort associated with listing, repairing, maintaining, and selling, etc., VA properties.

ATTACHMENT C-2, LIST OF ABBREVIATIONS AND ACRONYMS

CAIVRS	Credit Alert Interactive Voice Response System
CLIN	Contract Line Item Number
CO	Contracting Officer
CODR	Contracting Officer Designated Representative
FOIA	Freedom of Information Act
GSA	General Services Administration
HNR	Highest Net Return
HOA	Homeowners Association
LAPP	Lender Appraisal Processing Program
LGY	Loan Guaranty
LSD	Loan Service and Claims
MANR	Minimum Acceptable Net Return
MLAC	Mortgage Loan Accounting Center
OMB	Office of Management and Budget
PIN	Property Identification Number
PIR	Property Inspection Report
PLAN	Property Management Local Area Network
PM	Property Management
PMS	Property Management System
POA	Power of Attorney
PWS	Performance Work Statement
QA	Quality Assurance
QC	Quality Control
RESPA	Real Estate Settlement Procedures Act
RLC	Regional Loan Centers (Department of Veteran's Affairs)
ROI	Return on Investment

1	RO	Regional Office (Department of Veteran's Affairs)
2	SP	Service Provider
3	TIL	Truth In Lending
4	VA	Department of Veteran's Affairs

ATTACHMENT C-3, JURISDICTION OF REGIONAL LOAN CENTERS

STATION	JURISDICTIONS
Buffalo, NY	Counties of Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wayne, Wyoming, Yates
Manchester, NY	States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
New York, NY	All counties in the State of New York not assigned to Buffalo
Cleveland, OH	State of Ohio
Detroit, MI	State of Michigan
Indianapolis, IN	State of Indiana
Newark, NJ	State of New Jersey
Philadelphia, PA	State of Delaware Counties of Adams, Berks, Bradford, Bucks, Cameron, Carbon, Centre, Chester, Clinton, Columbia, Cumberland, Dauphin, Delaware, Franklin, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mifflin, Monroe, Montgomery, Montour, Northampton, Northumberland, Perry, Philadelphia, Pike, Potter, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, York
Pittsburgh, PA	Counties in State of Pennsylvania not assigned to Philadelphia 4 counties of West Virginia: Brooke, Hancock, Marshall, and Ohio
Baltimore, MD	All counties in the State of Maryland except those under Washington, DC
Louisville, KY	State of Kentucky
Roanoke, VA	State of Virginia except the 6 counties and 4 independent cities assigned to Washington, DC State of West Virginia
Washington, DC	Entire District of Columbia State of Maryland, 2 counties: Montgomery and Prince Georges State of Virginia, 6 counties: Arlington, Fairfax, Loudoun, Prince William, Stafford, Spotsylvania State of Virginia, 4 independent cities: Alexandria, Fairfax, Falls Church, and Fredericksburg
Atlanta, GA	State of Georgia
Columbia, SC	State of South Carolina
Nashville, TN	State of Tennessee
Winston-Salem, NC	State of North Carolina
Jackson, MS	State of Mississippi
Montgomery, AL	State of Alabama
San Juan, PR	Commonwealth of Puerto Rico All of U.S. Virgin Islands
St. Petersburg, FL	State of Florida
Chicago, IL	State of Illinois
Des Moines, IA	State of Iowa

STATION	JURISDICTIONS
Lincoln, NE	State of Nebraska
Milwaukee, WI	State of Wisconsin
Muskogee, OK	State of Oklahoma
St. Louis, MO	State of Missouri
St. Paul, MN	State of Minnesota State of North Dakota State of South Dakota
Wichita, KS	State of Kansas
Houston, TX	Counties of Angelina, Aransas, Atascosa, Austin, Bandera, Bee, Bexar, Blanco, Brazoria, Brewster, Brooks, Caldwell, Calhoun, Cameron, Chambers, Colorado, Comal, Crokett, DeWitt, Dimmit, Duval, Edwards, Fort Bend, Frio, Galveston, Gillespie, Goliad, Gonzales, Grimes, Guadalupe, Hardin, Harris, Hays, Hidalgo, Houston, Jackson, Jasper, Jefferson, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kimble, Kiinney, Kleberg, LaSalle, Lavaca, Liberty, Live Oak, Mason, Matagorda, Maverick, McCulloch, McMullen, Medina, Menard, Montgomery, Nacogdoches, Newton, Nueces, Orange, Pecos, Polk, Real, Refugio, Sabine, San Augustine, San Jacinto, San Patricio, Schleicher, Shelby, Starr, Sutton, Terrell, Trinity, Tyler, Uvalde, Val Verde, Victoria, Walker, Waller, Washington, Webb, Wharton, Willacy, Wilson, Zapata and Zavala
Little Rock, AR	State of Arkansas, including the City of Texarkana in the State of Texas
New Orleans, LA	State of Louisiana
Waco, TX	All counties of the State of Texas except those assigned to Houston, Texas, and the city of Texarkana, Texas, assigned to Little Rock, Arkansas
Albuquerque, NM	State of New Mexico
Anchorage, AL	State of Alaska
Boise, ID	State of Idaho
Denver, CO	State of Colorado State of Wyoming State of Montana
Portland, OR	State of Oregon Counties of the State of Washington: Clark, Klickitat, and Skamania
Salt Lake City, UT	State of Utah
Seattle, WA	State of Washington except 3 counties assigned to Portland, Oregon
Honolulu, HI	State of Hawaii Pacific Islands of American Samoa, Guam, Wake, Midway, and the Commonwealth of Northern Mariana Islands
Los Angeles, CA	Counties of State of California: Inyo, Kern, Los Angeles, Orange, San Bernadino, San Luis Obispo, Santa Barbara, and Ventura
Oakland, CA	All counties of the State of California except those under Los Angeles and San Diego All counties of the State of Nevada except those under Phoenix
Phoenix, AZ	State of Arizona Counties of Nevada: Clark and Lincoln
San Diego, CA	Counties of State of California: Imperial, Riverside, San Diego

ATTACHMENT C-4, HISTORICAL WORKLOAD DATA

Acquisition and Property Management
Workload Data Definitions

SDN#	This column represents which Service Delivery Network the station is located in.
Station Name	This column represents the station location.
Number Acquired	This column represents the total number of properties in VA's inventory, including properties acquired (in title) and pending acquisition (pending title approval). The information is taken from PMS and is calculated by counting the number of properties where the field "MB Assigned Date" is > 9/30/ of the FY but < 10/1 of the FY.
Average Appraisal	This column represents the average foreclosure appraisal value per property and is taken from PMS data and pulled from the field titled "Appraisal".
Average Months in Custody	This column represents the average amount of time that a property is held between title approval and sale of the property. The information is taken from PMS and is calculated by subtracting the "Sale Close Date" from the "MB Assigned Date", dividing by 30, and taking the average of the answer.
Number in Custody 12 Months	This column represents the number of properties that have a time in custody greater then 1 year (in title). The information is taken from PMS and is calculated by subtracting the "Sale Close Date" from the "MB Assigned Date" where the number of days is >365.
Number Reconveyed	This column represents the total number of VA acquired properties whose titles were transferred back to the holder due to the holder's failure to provide VA marketable title or failure to provide title within VA's prescribed time frames. The data is taken from the Station Data Collection Set 1.
Number of Evictions Pending at Year End	This column represents the number of evictions pending and is taken from the Station Data Collection Set 1.
Number of Evictions Completed	This Column represents the number of evictions completed and is taken from the Station Data Collection Set 1.

NOTE: THE DATA PROVIDED IN THIS ATTACHMENT IS FOR ILLUSTRATION ONLY. THE FINAL PWS WILL INCLUDE RELIABLE, VALIDATED WORKLOAD DATA.

Marketing and Sales Workload
Data Definitions

SDN #	This column represents which Service Delivery Network the station is located in.
Station Name	This column represents the station location.
Average Taxes	This column represents the amount of taxes paid during the current fiscal year and the previous fiscal year (FY). The information is taken from PMS and is calculated by adding "Previous FY Paid" + "Current FY Taxes Paid" and taking the average.
Average Special Assessments	This column represents the amount of special assessments paid during the current fiscal year and the previous fiscal year. The information is taken from PMS and is calculated by adding "Previous FY Assessment" + "Current FY Assessment and taking the average.
Average Capital Investments	This column represents the average amount of capital investments for the FY. The information is taken from PMS and is calculated by taking the average of the field "Capital Investments".
Average Initial Repairs	This column represents the average amount of initial repairs for the FY. The information is taken from PMS and is calculated by taking the average of the field " Initial Repairs".
Average Estimated Repairs Required	This column represents the average amount in cumulative estimated repairs for the FY. The information is taken from PMS and is calculated by taking the average of the field "Cumulative Estimated Repairs".
Average Management Broker Commissions	This column represents the average amount of commissions paid to the Management Broker for the previous and the current FY. The information is taken from PMS and is calculated by adding "Previous FY Commissions Paid" + "Current FY Commissions Paid" and taking the average.
Average Maintenance	This column represents the average cost of Maintenance for the previous and current FY. The information is taken from PMS and is calculated by adding "Previous FY Maintenance Paid" + "Current FY Maintenance Paid" and taking the average.
Average Other Expenses	This column represents the average cost of Other expenses for the previous and current FY. The information is taken from PMS and is calculated by adding "Previous FY Maintenance Paid" + "Current FY Maintenance Paid" and taking the average.
Repairs <$1000	This column represents the number of expenditures for repairs totaling <$1000.
Repairs >$1000 < $3500	This column represents the number of expenditures for repairs totaling > $1000 and <$3,500.
Repairs > $3500 < $25000	This column represents the number of expenditures for repairs totaling >$3,500 and <$25,000.
Repairs >$25000	This column represents the number of expenditures for repairs totaling >$25,000.

NOTE: THE DATA PROVIDED IN THIS ATTACHMENT IS FOR ILLUSTRATION ONLY. THE FINAL PWS WILL INCLUDE RELIABLE, VALIDATED WORKLOAD DATA.

Offer Processing and Closeout Workload
Data Definitions

SDN #	This column represents which Service Delivery Network the station is located in.
Station Name	This column represents the station location.
Average Sales Expense	This column represents the average sales expense for the FY. The information is taken from PMS and is calculated by taking the average of the field "Sales Expense".
Average Amount of Offer	This column represents the average amount that is offered per property. The information is taken from PMS and is calculated by taking the average of the field "Amount of Offer".
Offer <$25,000	This column represents the number of offers that are less than $25,000. The information is taken from PMS and is calculated by counting the field "Amount of Offer" where <$25,000.
Offer >$24,999 and <$50,000	This column represents the number of offers that are between $25,000 and $49,999. The information is taken from PMS and is calculated by counting the field "Amount of Offer where >$24,999 and <$50,000.
Offer >$49,999 and <$75,000	This column represents the number of offers that are between $50,000 and <$74,999. The information is taken from PMS and is calculated by counting the field "Amount of Offer" where >$49,999 and <$75,000.
Offer >$74,999 and <$100,000	This column represents the number of offers that are between $75,000 and <$99,999. The information is taken from PMS and is calculated by counting the field "Amount of Offer" where >$74,999 and <$100,000.
Offer >$99,999 and <$125,000	This column represents the number of offers that are between $100,000 and <$124,999. The information is taken from PMS and is calculated by counting the field "Amount of Offer" where >$99,999 and <$125,000.
Offer >$125,000	This column represents the number of offers that are greater than $125,000. The information is taken from PMS and is calculated by counting the field "Amount of Offer" where >$125,000.
Total Number Sold	This column represents the number of properties sold for the FY. The information is taken from PMS and is calculated by counting the number of properties where the field "Sale Close Date" is > 9/30/ of the FY but < 10/1 of the FY.
Number Sold with Vendee Loans	This column represents the number of properties sold using Vendee Loans. The information is taken from PMS and is calculated by counting the type 2 and 3 offers from the field "Type of Offer" for the current FY.
Number Sold for Cash	This column represents the number of properties sold for cash. The information is taken from PMS and is calculated by counting the number of offer type 1 from the field "Type of Offer" for the current FY.
Number of Sales to Occupant	This column represents the total number of sales per FY to current occupant or former owner. This information is taken from data collection set 1.
Number Sold through Special Programs	This column represents the total number of VA properties sold through special programs to other agencies, non-profit organizations, local governments, historic preservation interests, homeless providers, and similar.

Fiscal Year 1999
Acquisition and Property Management

SDN #	Station Name	Number of Properties Acquired During FY 99	Average Appraisal Value for Properties Sold in FY99	Average Number of Months in Custody	Number of Properties Reconveyed in FY99	Number of Evictions Pending at End of FY99	Number of Evictions Completed During FY99
1	Buffalo	145	$49,751	7.9	4	N/A	15
1	Manchester	453	$82,943	4.3	33	22	207
1	New York	236	$66,750	10.7	N/A	N/A	N/A
2	Cleveland	208	$61,314	7.2	N/A	34	31
2	Detroit	179	$57,616	11.6	0	36	106
2	Indianapolis	228	$71,497	9.2	4	11	35
2	Newark	459	$81,679	10.9	193	57	26
2	Philadelphia	306	$71,251	9.0	10	54	150
2	Pittsburgh	59	$44,025	11.9	3	10	22
3	Baltimore	598	$99,562	10.6	24	80	137
3	Louisville	109	$64,367	6.5	1	1	0
3	Roanoke	1573	$76,158	7.9	3	65	61
3	Washington, DC	1059	$112,237	13.3	23	286	101
4	Atlanta	1073	$73,986	9.2	2	100	256
4	Columbia	330	$68,067	8.0	14	7	11
4	Nashville	396	$68,861	5.5	1	67	0
4	Winston-Salem	1179	$72,250	6.8	57	18	55
5	Jackson	122	$60,745	5.3	5	11	36
5	Montgomery	241	$65,274	8.8	0	11	58
5	San Juan	7	$81,500	9.1	1	1	0
5	St. Petersburg	1478	$72,319	9.5	60	15	360
6	Chicago	550	$77,636	8.3	20	2	4
6	Des Moines	59	$55,615	7.4	1	0	2
6	Lincoln	59	$63,295	7.0	0	3	14
6	Milwaukee	177	$68,035	5.4	0	29	29
6	Muskogee	523	$47,976	6.0	4	4	11
6	St. Louis	272	$60,161	7.3	5	18	23
6	St. Paul	260	$70,638	8.2	6	6	71
6	Witchita	228	$45,570	10.4	18	4	18
7	Houston	858	$66,933	7.2	47	40	168
7	Little Rock	217	$50,739	6.3	6	13	22
7	New Orleans	368	$55,499	12.1	4	5	60
7	Waco	1269	$65,731	6.4	936	19	145
8	Albuquerque	122	$69,785	7.4	4	6	1
8	Anchorage	50	$115,490	5.0	2	2	N/A
8	Boise	97	$81,352	6.9	0	2	4
8	Denver	188	$97,137	8.5	20	15	24
8	Portland	72	$110,312	4.8	25	0	0
8	Salt Lake City	56	$107,661	5.8	0	1	0
8	Seattle	677	$104,262	8.8	2	8	5
9	Honolulu	45	$85,102	4.4	0	0	0
9	Los Angeles	2202	$95,691	6.3	37	95	696
9	Oakland	1672	$104,261	7.8	16	65	125
9	Phoenix	937	$95,152	5.3	12	16	39
9	San Diego	1567	$103,769	10.6	42	36	139
	Total	22963	$75,555	7.9	1645	1275	3267

N/A- Data Not Available

Marketing and Sales for Properties Sold in FY 99

SDN #	Station Name	Average Taxes	Average Special Assessments	Average Capital Investments	Average Initial Repairs	Average Estimated Repairs Required	Average Management Broker Commissions	Average Maintenance	Average Other Expenses	Number of Repairs <$1,000	Number of Repairs >$1,000 <$3,500	Number of Repairs >$3,500 <$25,000	Number of Repairs >$25,000
1	Buffalo	$1,372	$0	$0	$570	$194	$491	$388	$379	60	25	8	0
1	Manchester	$1,094	$0	$0	$713	$2,415	$1,049	$6,063	$385	296	635	77	3
1	New York	$1,934	$0	$0	$337	$1,892	$524	$494	-$444	N/A	N/A	N/A	N/A
2	Cleveland	$713	$4	$0	$108	$7,694	$470	$1,582	$642	N/A	N/A	N/A	N/A
2	Detroit	$1,030	$6	$0	$254	$3,253	$827	$1,323	$27	N/A	N/A	N/A	N/A
2	Indianapolis	$652	$0	$0	$1,311	$3,119	$367	$1,319	$797	N/A	N/A	N/A	N/A
2	Newark	$2,851	$0	$0	$19	$4,517	$599	$2,033	$1,234	N/A	3	N/A	N/A
2	Philadelphia	$614	$10	$0	$43	$11,664	$494	$1,323	$316	N/A	N/A	N/A	N/A
2	Pittsburgh	$1,171	$0	$0	$1,260	$3,593	$759	$573	$633	N/A	N/A	N/A	N/A
3	Baltimore	$1,172	$1	$0	$692	$1,990	$1,167	$2,034	$2,134	N/A	N/A	N/A	N/A
3	Louisville	$306	$0	$0	$196	$2,572	$489	$430	$453	67	48	15	0
3	Roanoke	$446	$0	$0	$309	$4,138	$555	$1,095	$436	4762	1005	14	0
3	Washington, DC	$1,947	$15	$0	$511	$217	$801	$1,138	$3,248	N/A	N/A	N/A	N/A
4	Atlanta	$698	$0	$0	$1,282	$6,414	$262	$1,678	$1,059	577	937	904	0
4	Columbia	$372	$0	$2	$482	$4,681	$391	$630	$399	453	114	2	0
4	Nashville	$429	$0	$0	$168	$2,209	$415	$619	$240	N/A	N/A	N/A	N/A
4	Winston-Salem	$551	$0	$0	$951	$6,122	$521	$435	$560	459	265	697	1
5	Jackson	$371	$0	$0	$366	$4,113	$522	$662	$658	N/A	N/A	N/A	N/A
5	Montgomery	$249	$0	$0	$201	$5,690	$374	$321	$186	N/A	N/A	N/A	N/A
5	San Juan	$0	$0	$0	$313	$2,850	$692	$386	$17	0	0	0	0
5	St. Petersburg	$1,058	$0	$0	$1,094	$3,111	$692	$1,158	$1,170	N/A	N/A	N/A	N/A
6	Chicago	$1,482	$0	$0	$100	$2,314	$444	$471	$2,173	N/A	N/A	N/A	N/A
6	Des Moines	$681	$0	$0	$178	$1,417	$404	$530	$1,249	N/A	N/A	N/A	N/A
6	Lincoln	$452	$0	$0	$1,121	$5,978	$643	$1,273	$778	N/A	N/A	N/A	N/A
6	Milwaukee	$1,136	$0	$0	$657	$4,528	$582	$611	$1,368	N/A	N/A	N/A	N/A
6	Muskogee	$232	$0	$0	$144	$1,629	$424	$341	$183	55	4	0	0
6	St. Louis	$344	$0	$0	$530	$4,548	$618	$902	$437	216	151	3	0
6	St. Paul	$886	$0	$0	$1,050	$2,665	$662	$468	$679	64	59	81	0
6	Witchita	$583	$0	$40	$608	$5,698	$647	$1,321	$904	N/A	289	192	0
7	Houston	$1,057	$0	$0	$1,309	$7,455	$1,018	$492	$1,925	762	1488	240	0
7	Little Rock	$227	$0	$0	$295	$1,924	$480	$531	$741	N/A	N/A	N/A	N/A
7	New Orleans	$603	$0	$0	$1,278	$11,145	$686	$1,201	$265	280	104	89	0
7	Waco	$809	$0	$2	$773	$6,701	$367	$1,499	$1,223	7178	1453	418	0
8	Albuquerque	$331	$0	$0	$1,096	$4,270	$603	$1,162	$732	N/A	N/A	N/A	N/A
8	Anchorage	$716	$0	$0	$106	$659	$641	$929	$1,184	N/A	N/A	N/A	N/A
8	Boise	$525	$0	$0	$532	$4,038	$721	$588	$2,054	N/A	N/A	N/A	N/A
8	Denver	$506	$0	$0	$338	$2,168	$677	$1,190	$1,024	N/A	N/A	N/A	N/A
8	Portland	$329	$0	$0	$105	$527	$434	$330	$174	19	6	0	0
8	Salt Lake City	$268	$0	$0	$371	$2,469	$481	$672	$1,834	N/A	N/A	N/A	N/A
8	Seattle	$868	$0	$0	$1,128	$3,413	$345	$1,604	$584	N/A	N/A	N/A	N/A
9	Honolulu	$186	$0	$0	$51	$0	$434	$456	$510	N/A	N/A	N/A	N/A
9	Los Angeles	$658	$0	$0	$278	$1,579	$622	$1,023	$1,257	10650	550	3	0
9	Oakland	$885	$0	$0	$1,040	$1,961	$879	$1,017	$850	N/A	N/A	N/A	N/A
9	Phoenix	$421	$0	$0	$222	$2,914	$526	$549	$856	189	191	75	0
9	San Diego	$1,140	$0	$0	$512	$1,593	$458	$626	$2,034	6771	350	98	0
	Total	**$763**	**$1**	**$1**	**$556**	**$3,645**	**$584**	**$1,010**	**$879**	**32858**	**7677**	**2916**	**4**

N/A- Data not Available

Offer Closeout and Processing for Properties Sold in FY99

SDN #	Station Name	Average Sales Expense	Average Amount of Offer	Number of Offers <$25,000	>$24,999 <$50,000	>$49,999 <$75,000	>$74,999 <$100,000	>$99,999 <$125,000	>$125,000	Total Number of Properties Sold	Number of Properties Sold With Vendee Loans	Number of Properties Sold for Cash	Number of Sales to Occupant	Number Sold through Special Programs
1	Buffalo	$1,997	$42,339	39	62	35	13	3	1	153	73	80	5	0
1	Manchester	$5,093	$94,667	21	41	83	109	125	100	479	33	446	28	0
1	New York	$3,324	$57,801	42	76	60	29	21	15	243	105	138	N/A	N/A
2	Cleveland	$2,746	$52,094	44	71	75	24	17	7	237	119	118	2	1
2	Detroit	$2,875	$53,668	50	63	52	25	12	9	211	48	163	17	0
2	Indianapolis	$3,409	$67,206	18	57	68	61	25	10	237	78	159	7.5	0
2	Newark	$4,090	$77,532	27	70	146	137	64	45	489	121	368	18	2
2	Philadelphia	$3,803	$64,098	58	63	82	69	39	18	329	77	252	5	0
2	Pittsburgh	$2,428	$42,935	22	21	8	5	3	2	61	13	48	3	0
3	Baltimore	$4,608	$92,375	28	61	131	159	159	122	656	391	265	24	N/A
3	Louisville	$3,258	$62,082	7	25	49	23	4	3	111	32	79	1	N/A
3	Roanoke	$3,996	$71,998	54	342	584	444	168	98	1690	670	1020	9	0
3	Washington, DC	$4,416	$105,792	14	65	155	271	270	331	1105	518	587	7	0
4	Atlanta	$3,909	$72,978	34	192	449	285	134	64	1158	250	908	30	0
4	Columbia	$3,087	$61,917	15	118	122	65	18	11	348	188	160	11	N/A
4	Nashville	$3,666	$64,749	31	87	150	101	27	12	408	102	306	5	0
4	Winston-Salem	$3,319	$70,185	28	210	583	316	80	51	1266	295	971	9	5
5	Jackson	$3,467	$59,703	14	36	44	28	5	3	130	28	102	1	0
5	Montgomery	$2,816	$59,588	30	68	83	47	9	9	246	82	164	1	0
5	San Juan	$5,669	$81,150		2	1	3	1	1	8	8	0	0	0
5	St. Petersburg	$4,046	$73,518	67	273	508	434	158	111	1551	483	1068	30	N/A
6	Chicago	$3,507	$70,765	79	125	119	114	81	64	580	205	375	0	0
6	Des Moines	$2,879	$53,603	8	27	9	11	4	2	61	23	38	0	0
6	Lincoln	$3,641	$63,714	4	18	23	8	7	2	62	31	31	0	0
6	Milwaukee	$3,472	$65,204	16	49	64	27	16	13	185	93	92	1.5	4
6	Muskogee	$2,541	$46,464	110	237	135	59	10	4	555	73	482	3	0
6	St. Louis	$3,396	$58,435	46	81	88	53	17	10	295	66	229	18	0
6	St. Paul	$4,295	$75,768	30	55	58	52	37	40	272	64	208	10	6
6	Witchita	$3,111	$50,002	35	95	75	29	3	5	240	44	196	8	0
7	Houston	$3,872	$69,055	70	186	310	264	73	54	956	407	549	20	0
7	Little Rock	$2,769	$46,536	38	96	69	24	5		231	56	175	2	0
7	New Orleans	$2,675	$49,355	83	132	106	52	9	9	391	234	157	10	0
7	Waco	$3,418	$64,118	105	336	507	254	98	64	1362	688	674	18	0
8	Albuquerque	$3,619	$65,670	16	32	32	19	19	7	125	22	103	0	0
8	Anchorage	$716	$115,140		2	5	16	4	24	51	3	48	0	0
8	Boise	$4,055	$78,923		15	33	35	13	5	101	56	45	0	0
8	Denver	$4,201	$94,257	9	23	57	57	37	59	242	105	137	1	0
8	Portland	$6,237	$110,388		1	11	21	20	25	78	13	65	0	0
8	Salt Lake City	$5,347	$106,935		3	4	16	21	15	59	25	34	0	0
8	Seattle	$5,086	$102,622	3	23	127	200	195	175	722	359	363	3	0
9	Honolulu	$4,385	$74,297	2	10	15	13	6	5	51	2	49	0	0
9	Los Angeles	$101	$91,773	68	319	531	530	366	514	2328	447	1881	32	1
9	Oakland	$5,424	$111,551	11	98	272	426	382	623	1812	360	1452	6	51
9	Phoenix	$5,451	$97,046	7	54	199	284	241	193	978	104	874	13	1
9	San Diego	$152	$105,224	12	99	274	457	339	518	1699	609	1090	6	12
	Total	**$3,564**	**$73,227**	**1395**	**4119**	**6591**	**5669**	**3345**	**3453**	**24552**	**7803**	**16749**	**332**	**83**

N/A- Data Not Available

Fiscal Year 1998
Acquisition and Property Management

SDN#	Station Name	Number of Properties Acquired During FY 99	Average Appraisal Value for Properties Sold in FY 99	Average Number of Months in Custody
1	Buffalo	92	$55,897	6.8
1	Manchester	485	$82,028	6.7
1	New York	153	$77,985	8.9
2	Cleveland	227	$59,659	8.2
2	Detroit	181	$49,529	10.7
2	Indianapolis	218	$64,425	9.1
2	Newark	309	$83,486	9.1
2	Philadelphia	275	$71,367	7.1
2	Pittsburgh	48	$41,688	8.6
3	Baltimore	502	$99,828	9.8
3	Louisville	84	$65,785	5.5
3	Roanoke	1699	$76,227	7.5
3	Washington, DC	802	$112,372	12.0
4	Atlanta	930	$72,099	8.1
4	Columbia	367	$63,813	8.8
4	Nashville	365	$65,423	6.2
4	Winston-Salem	986	$71,659	5.7
5	Jackson	103	$56,400	5.7
5	Montgomery	289	$60,399	7.2
5	San Juan	8	$59,438	8.0
5	St. Petersburg	1651	$68,947	7.9
6	Chicago	489	$70,071	8.1
6	Des Moines	56	$49,098	7.3
6	Lincoln	61	$55,230	5.0
6	Milwaukee	189	$62,192	5.1
6	Muskogee	436	$48,153	5.7
6	St. Louis	281	$55,904	6.8
6	St. Paul	204	$70,997	8.8
6	Witchita	212	$44,447	9.4
7	Houston	791	$61,185	7.8
7	Little Rock	256	$52,529	5.4
7	New Orleans	221	$51,153	12.2
7	Waco	1150	$65,150	6.5
8	Albuquerque	102	$70,262	5.7
8	Anchorage	55	$117,474	4.8
8	Boise	54	$84,471	7.3
8	Denver	137	$92,239	10.5
8	Portland	43	$105,764	4.8
8	Salt Lake City	26	$104,883	4.7
8	Seattle	524	$104,391	8.6
9	Honolulu	48	$109,839	3.9
9	Los Angeles	2555	$92,123	6.9
9	Oakland	1283	$104,444	7.8
9	Phoenix	779	$89,386	6.8
9	San Diego	1475	$102,724	10.0
Total		**21,201**	**$73,835**	**7.5**

Marketing and Sales for Properties Sold in FY 98

SDN #	Station Name	Average Taxes	Average Special Assessments	Average Capital Investments	Average Initial Repairs	Average Estimated Repairs Required	Average Management Broker Commissions	Average Maintenance	Average Other Expenses
1	Buffalo	$1,188	$0	$0	$1,832	$0	$567	$539	$525
1	Manchester	$993	$0	$0	$3,278	$6,284	$972	$4,796	$706
1	New York	$2,026	$156	$0	$1,021	$371	$572	$473	-$526
2	Cleveland	$825	$9	$0	$925	$2,787	$570	$1,770	$809
2	Detroit	$727	$0	$0	$1,521	$1,320	$713	$1,393	$405
2	Indianapolis	$546	$0	$5	$3,001	$3,516	$317	$1,281	$1,030
2	Newark	$2,400	$1	$0	$66	$63	$557	$1,868	$1,279
2	Philadelphia	$562	$2	$0	$452	$13,407	$435	$1,392	$305
2	Pittsburgh	$487	$2	$0	$2,733	$2,512	$667	$491	$695
3	Baltimore	$768	$6	$0	$2,407	$563	$1,082	$1,990	$2,330
3	Louisville	$324	$0	$0	$1,202	$1,552	$374	$440	$512
3	Roanoke	$429	$0	$0	$932	$2,479	$529	$1,046	$383
3	Washington, DC	$1,272	$67	$0	$832	$11	$628	$1,187	$3,732
4	Atlanta	$604	$10	$0	$2,983	$13,968	$548	$1,331	$935
4	Columbia	$387	$0	$9	$1,395	$7,816	$338	$493	$414
4	Nashville	$288	$0	$0	$789	$3,616	$417	$531	$227
4	Winston-Salem	$286	$0	$0	$3,849	$3,043	$467	$323	$922
5	Jackson	$217	$0	$0	$1,304	$1,501	$386	$430	$716
5	Montgomery	$170	$0	$0	$350	$5,710	$334	$224	$176
5	San Juan	$490	$0	$0	$447	$4,663	$573	$204	$882
5	St. Petersburg	$651	$0	$0	$2,002	$1,863	$594	$1,015	$1,161
6	Chicago	$1,306	$0	$19	$360	$1,476	$450	$826	$2,189
6	Des Moines	$562	$2	$0	$587	$14	$363	$338	$915
6	Lincoln	$394	$0	$0	$3,779	$6,583	$461	$994	$524
6	Milwaukee	$839	$0	$0	$4,695	$5,737	$537	$1,075	$1,532
6	Muskogee	$194	$0	$0	$949	$1,271	$440	$395	$182
6	St. Louis	$243	$0	$7	$1,856	$3,340	$596	$753	$511
6	St. Paul	$970	$11	$0	$3,966	$149	$665	$518	$788
6	Witchita	$512	$18	$224	$4,373	$3,963	$517	$1,069	$929
7	Houston	$1,074	$0	$0	$6,121	$6,158	$1,537	$354	$1,092
7	Little Rock	$213	$0	$0	$933	$636	$376	$346	$855
7	New Orleans	$465	$0	$0	$5,605	$13,200	$748	$1,309	$409
7	Waco	$753	$0	$25	$3,644	$6,502	$541	$1,290	$1,733
8	Albuquerque	$248	$0	$0	$3,831	$4,742	$541	$839	$740
8	Anchorage	$557	$0	$0	$1,658	$0	$643	$1,542	$2,583
8	Boise	$539	$12	$0	$2,857	$4,923	$772	$658	$2,437
8	Denver	$611	$0	$0	$1,995	$5,901	$744	$709	$1,343
8	Portland	$334	$0	$0	$451	$0	$416	$931	$314
8	Salt Lake City	$172	$0	$0	$2,690	$3,898	$416	$1,170	$1,997
8	Seattle	$916	$0	$0	$3,122	$3,622	$453	$1,402	$525
9	Honolulu	$90	$24	$0	$361	$0	$453	$667	$163
9	Los Angeles	$563	$1	$0	$922	$1,178	$632	$1,022	$1,444
9	Oakland	$806	$0	$0	$3,708	$1,764	$853	$885	$814
9	Phoenix	$331	$0	$0	$1,204	$460	$485	$675	$612
9	San Diego	$989	$3	$0	$1,325	$1,425	$712	$853	$2,170
Total		**$652**	**$7**	**$6**	**$2,096**	**$3,422**	**$578**	**$974**	**$987**

Offer Closeout and Processing for Properties Sold in FY 98

SDN #	Station Name	Average Sales Expense	Average Amount of Offer	Number of Offers						Total Number of Properties Sold	Number of Properties Sold With Vendee Loan	Number of Properties Sold for Cash
				<$25,000	>$24,999 <$50,000	>$49,999 <$75,000	>$74,999 <$100,000	>$99,999 <$125,000	>$125,000			
1	Buffalo	$4,446	$46,459	25	30	25	18	0	1	99	41	58
1	Manchester	$9,324	$88,871	25	43	92	160	103	71	494	33	461
1	New York	$6,853	$61,814	29	40	35	33	19	10	166	66	100
2	Cleveland	$5,548	$53,311	44	71	64	40	15	3	237	98	139
2	Detroit	$5,334	$49,915	55	58	56	22	12	5	207	46	161
2	Indianapolis	$6,266	$60,311	36	59	63	33	24	11	226	64	162
2	Newark	$8,240	$73,482	31	46	105	83	39	28	332	65	267
2	Philadelphia	$7,479	$64,205	43	77	59	71	24	20	294	53	241
2	Pittsburgh	$4,877	$43,359	10	25	9	4	2	0	50	9	41
3	Baltimore	$10,004	$91,979	14	60	104	142	98	116	534	264	270
3	Louisville	$6,567	$61,740	1	30	29	18	7	1	86	15	71
3	Roanoke	$8,203	$68,631	58	418	614	421	164	77	1752	665	1087
3	Washington, DC	$10,524	$99,454	10	65	148	205	193	203	823	461	362
4	Atlanta	$7,269	$70,691	27	189	358	253	73	49	949	148	801
4	Columbia	$6,073	$58,258	28	146	120	61	20	7	382	172	210
4	Nashville	$7,106	$61,913	24	107	141	70	24	10	376	84	292
4	Winston-Salem	$6,632	$68,882	23	153	510	229	52	36	1003	252	751
5	Jackson	$5,558	$53,466	24	54	52	28	4	2	164	47	117
5	Montgomery	$6,181	$55,453	47	86	100	36	13	13	295	67	228
5	San Juan	$6,619	$53,215	2	2	2	1	1	0	8	8	N/A
5	St. Petersburg	$7,593	$69,649	50	345	663	434	140	74	1706	423	1283
6	Chicago	$6,377	$62,684	88	128	136	102	45	31	530	201	329
6	Des Moines	$4,872	$46,487	15	19	15	7	1	0	57	12	45
6	Lincoln	$6,174	$56,661	10	21	15	8	5	3	62	26	36
6	Milwaukee	$6,520	$58,924	25	59	57	34	11	8	194	96	98
6	Muskogee	$5,094	$45,977	84	207	129	38	9	4	471	64	407
6	St. Louis	$5,587	$50,530	48	116	68	41	13	2	288	55	233
6	St. Paul	$7,723	$72,496	23	53	51	41	24	27	219	41	178
6	Witchita	$5,702	$48,969	33	99	53	20	7	6	218	32	186
7	Houston	$6,240	$63,599	100	160	291	198	59	23	831	239	592
7	Little Rock	$5,296	$48,105	71	94	66	22	7	6	266	102	164
7	New Orleans	$5,758	$50,772	54	61	76	40	5	4	240	165	75
7	Waco	$7,463	$63,239	115	304	404	234	90	47	1194	398	796
8	Albuquerque	$7,597	$69,892	5	32	25	22	16	7	107	10	97
8	Anchorage	$4,890	$120,481	1	2	3	7	17	27	57	3	54
8	Boise	$8,628	$82,471	0	6	16	22	6	5	55	26	29
8	Denver	$8,363	$90,321	4	19	32	47	21	29	152	60	92
8	Portland	$12,531	$108,524	0	2	3	12	10	16	43	3	40
8	Salt Lake City	$10,802	$104,247	0	1	4	7	8	7	27	9	18
8	Seattle	$11,417	$100,492	1	20	93	159	141	117	531	251	280
9	Honolulu	$7,291	$83,530	2	4	18	15	7	7	53	7	46
9	Los Angeles	$4,444	$82,495	79	460	707	625	391	392	2654	526	2128
9	Oakland	$11,346	$105,659	4	70	228	348	279	422	1351	160	1191
9	Phoenix	$9,734	$88,867	4	71	221	246	172	106	820	106	714
9	San Diego	$5,448	$103,309	4	99	340	392	350	500	1685	446	1239
	Total	**$7,155**	**$70,306**	**1,376**	**4,211**	**6,400**	**5,049**	**2,721**	**2,533**	**22,288**	**6,119**	**16,169**

Fiscal Year 1997
Acquisition and Property Management

SDN #	Station Name	Number of Properties Acquired During FY 99	Average Appraisal Value for Properties Sold in FY99	Average Number of Months in Custody
1	Buffalo	81	$45,389	7.8
1	Manchester	458	$77,730	7.2
1	New York	167	$66,260	9.2
2	Cleveland	211	$46,505	10.3
2	Detroit	260	$31,736	11.1
2	Indianapolis	161	$41,917	8.5
2	Newark	373	$74,602	8.6
2	Philadelphia	226	$56,852	6.4
2	Pittsburgh	105	$32,253	11.5
3	Baltimore	374	$90,857	8.6
3	Louisville	108	$60,880	7.0
3	Roanoke	1458	$72,004	7.0
3	Washington, DC	576	$103,208	10.5
4	Atlanta	966	$63,869	8.2
4	Columbia	364	$61,401	7.5
4	Nashville	343	$55,732	6.1
4	Winston-Salem	749	$66,031	4.9
5	Jackson	118	$48,006	5.8
5	Montgomery	256	$52,091	5.5
5	San Juan	8	$88,388	5.4
5	St. Petersburg	1652	$60,340	7.6
6	Chicago	483	$61,352	7.6
6	Des Moines	47	$49,909	6.7
6	Lincoln	57	$45,841	5.1
6	Milwaukee	144	$59,320	5.5
6	Muskogee	406	$43,853	6.3
6	St. Louis	294	$47,265	6.9
6	St. Paul	223	$64,076	8.4
6	Witchita	199	$42,403	9.0
7	Houston	877	$52,082	7.3
7	Little Rock	187	$39,703	5.5
7	New Orleans	259	$49,275	14.1
7	Waco	1158	$57,723	6.9
8	Albuquerque	90	$65,322	5.3
8	Anchorage	39	$108,600	4.7
8	Boise	42	$79,002	5.0
8	Denver	111	$79,774	8.6
8	Portland	22	$114,126	5.2
8	Salt Lake City	9	$101,356	2.8
8	Seattle	379	$107,745	7.8
9	Honolulu	48	$107,521	6.6
9	Los Angeles	2178	$89,852	6.7
9	Oakland	1103	$101,216	7.4
9	Phoenix	667	$75,861	7.1
9	San Diego	753	$101,183	7.4
	Total	**18789**	**$67,565**	**7.3**

Marketing and Sales for Properties Sold in FY 97

SDN #	Station Name	Average Taxes	Average Special Assessments	Average Capital Investments	Average Initial Repairs	Average Estimated Repair Required	Average Management Broker Commission	Average Maintenance	Average Other Expenses
1	Buffalo	$1,301	$0	$0	$1,453	$0	$492	$497	$50
1	Manchester	$1,146	$0	$0	$2,725	$4,735	$827	$3,779	$629
1	New York	$2,104	$190	$0	$1,176	$0	$541	$389	-$730
2	Cleveland	$822	$109	$0	$514	$1,390	$513	$1,851	$703
2	Detroit	$727	$26	$0	$1,194	$1,154	$730	$1,003	$390
2	Indianapolis	$468	$0	$3	$4,015	$4,924	$249	$1,235	$903
2	Newark	$1,885	$2	$0	$68	$0	$518	$2,070	$1,572
2	Philadelphia	$512	$8	$0	$488	$11,324	$382	$1,645	$286
2	Pittsburgh	$892	$8	$0	$4,582	$3,995	$752	$548	$1,068
3	Baltimore	$413	$36	$0	$1,707	$987	$776	$1,510	$1,643
3	Louisville	$385	$0	$0	$1,070	$2,680	$374	$460	$405
3	Roanoke	$481	$0	$0	$922	$2,555	$453	$926	$263
3	Washington, DC	$912	$183	$0	$563	$21	$540	$1,072	$3,225
4	Atlanta	$647	$62	$0	$1,955	$17,172	$599	$1,118	$599
4	Columbia	$397	$0	$13	$1,111	$7,075	$363	$348	$218
4	Nashville	$311	$0	$0	$843	$3,531	$420	$524	$226
4	Winston-Salem	$301	$9	$0	$2,878	$2,627	$344	$249	$519
5	Jackson	$214	$0	$0	$1,101	$1,537	$347	$479	$526
5	Montgomery	$121	$0	$0	$447	$5,046	$303	$174	$144
5	San Juan	$0	$0	$0	$383	$2,413	$272	$125	$1,354
5	St. Petersburg	$593	$0	$0	$1,867	$1,562	$570	$923	$928
6	Chicago	$1,148	$0	$0	$720	$829	$382	$494	$1,814
6	Des Moines	$590	$194	$0	$764	$135	$342	$245	$710
6	Lincoln	$327	$27	$0	$3,843	$5,788	$408	$430	$628
6	Milwaukee	$911	$158	$0	$4,781	$6,052	$334	$1,574	$1,325
6	Muskogee	$183	$0	$0	$881	$1,621	$374	$393	$199
6	St. Louis	$293	$4	$55	$1,470	$3,584	$534	$751	$444
6	St. Paul	$768	$63	$44	$4,355	$0	$581	$714	$875
6	Witchita	$609	$17	$64	$3,636	$2,920	$519	$795	$975
7	Houston	$1,164	$0	$3	$5,769	$6,463	$1,448	$200	$1,115
7	Little Rock	$111	$0	$0	$1,110	$696	$304	$350	$534
7	New Orleans	$441	$0	$0	$5,957	$13,063	$640	$1,313	$263
7	Waco	$978	$8	$26	$3,876	$7,211	$462	$1,228	$1,368
8	Albuquerque	$273	$0	$0	$3,235	$3,627	$407	$472	$625
8	Anchorage	$849	$0	$0	$3,210	$1,438	$613	$627	$1,821
8	Boise	$656	$10	$0	$3,099	$4,140	$477	$389	$1,662
8	Denver	$651	$9	$0	$2,096	$5,953	$641	$900	$1,270
8	Portland	$185	$1	$0	$369	$0	$352	$484	$705
8	Salt Lake City	$0	$0	$0	$1,276	$2,067	$483	$1,975	$1,884
8	Seattle	$1,317	$12	$0	$2,644	$3,548	$321	$1,135	$266
9	Honolulu	$136	$585	$0	$304	$0	$242	$528	$463
9	Los Angeles	$1,084	$37	$1	$924	$1,143	$495	$960	$1,022
9	Oakland	$792	$15	$0	$5,196	$963	$820	$427	$855
9	Phoenix	$535	$5	$1	$1,395	$803	$444	$542	$397
9	San Diego	$1,083	$25	$0	$1,070	$1,328	$556	$1,096	$1,249
Total		**$660**	**$40**	**$5**	**$2,068**	**$3,291**	**$501**	**$866**	**$831**

Offer Closeout and Processing for Properties Sold in FY 97

SDN #	Station Name	Average Sales Expense	Average Amount of Offer	Number of Offers <$25,000	>$24,999 <$50,000	>$49,999 <$75,000	>$74,999 <$100,000	>$99,999 <$125,000	>$125,000	Total Number of Properties Sold	Number of Properties Sold With Vendee Loan	Number of Properties Sold for Cash
1	Buffalo	$4,354	$39,314	26	31	12	11	1	0	81	37	44
1	Manchester	$8,947	$82,431	20	57	108	139	92	45	461	36	425
1	New York	$6,207	$48,315	48	63	38	25	8	4	186	58	128
2	Cleveland	$4,865	$44,970	57	72	56	18	7	4	214	96	118
2	Detroit	$3,998	$38,394	80	114	45	16	1	4	260	40	220
2	Indianapolis	$5,142	$47,758	42	56	38	15	8	3	162	59	103
2	Newark	$8,026	$69,444	40	70	108	92	41	26	377	51	326
2	Philadelphia	$6,309	$56,046	45	62	60	44	15	7	233	35	198
2	Pittsburgh	$4,205	$36,224	42	34	20	6	3	0	105	21	84
3	Baltimore	$10,172	$85,270	20	53	86	86	73	63	381	161	220
3	Louisville	$6,596	$57,620	7	36	50	6	7	3	109	20	89
3	Roanoke	$7,947	$68,367	53	342	541	338	129	60	1463	301	1162
3	Washington, DC	$10,369	$96,268	5	42	116	174	129	127	592	271	321
4	Atlanta	$7,004	$64,802	43	238	389	207	56	34	967	76	891
4	Columbia	$6,162	$56,629	22	140	150	55	6	5	378	150	228
4	Nashville	$6,244	$52,499	57	103	116	56	8	4	344	95	249
4	Winston-Salem	$6,394	$65,924	21	135	398	146	31	22	753	155	598
5	Jackson	$5,057	$47,837	24	42	35	13	5	1	120	36	84
5	Montgomery	$5,755	$50,457	42	88	96	22	8	2	258	50	208
5	San Juan	$11,037	$88,938	0	0	3	3	1	1	8	6	2
5	St. Petersburg	$7,445	$65,818	108	362	616	397	99	70	1652	365	1287
6	Chicago	$6,756	$62,234	87	115	127	79	40	35	483	148	335
6	Des Moines	$5,611	$53,541	5	26	7	7	0	3	48	10	38
6	Lincoln	$5,442	$51,863	10	23	11	12	1	1	58	20	38
6	Milwaukee	$6,238	$58,414	13	55	46	15	11	6	146	62	84
6	Muskogee	$5,450	$47,681	59	178	123	42	3	3	408	40	368
6	St. Louis	$5,276	$46,200	64	116	83	25	3	7	298	61	237
6	St. Paul	$7,466	$69,209	20	45	65	48	32	13	223	38	185
6	Witchita	$5,327	$45,284	26	103	49	18	3	0	199	19	180
7	Houston	$5,824	$59,072	113	203	346	158	39	22	881	220	661
7	Little Rock	$4,927	$41,353	50	75	48	9	4	1	187	51	136
7	New Orleans	$6,001	$48,886	48	94	71	37	5	4	259	143	116
7	Waco	$7,032	$60,214	127	318	390	213	75	36	1159	425	734
8	Albuquerque	$7,279	$65,600	9	26	24	20	10	4	93	11	82
8	Anchorage	$5,986	$111,093		3	2	10	11	14	40	5	35
8	Boise	$8,220	$73,758	2	4	16	13	6	1	42	17	25
8	Denver	$7,566	$79,775	6	15	36	25	15	14	111	42	69
8	Portland	$12,531	$112,450		1	3	4	6	8	22	6	16
8	Salt Lake City	$9,084	$106,244		1	1	3		4	9	3	6
8	Seattle	$12,270	$104,814		10	57	105	103	104	379	154	225
9	Honolulu	$7,908	$87,458	1	4	13	14	11	6	49	2	47
9	Los Angeles	$4,669	$81,075	59	354	625	557	323	283	2200	459	1741
9	Oakland	$11,622	$104,784	10	50	156	341	265	306	1128	89	1039
9	Phoenix	$8,749	$81,576	6	75	229	194	115	58	677	110	567
9	San Diego	$5,354	$98,008	3	68	164	208	181	186	810	138	672
	Total	**$6,996**	**$66,976**	**1520**	**4102**	**5773**	**4026**	**1990**	**1604**	**19013**	**4392**	**14621**

ATTACHMENT C-5, PERFORMANCE REQUIREMENTS SUMMARY

1.0 PERFORMANCE REQUIREMENTS SUMMARY

1.1 Overview

All services under this contract, will be subject, at all times to inspection by the government. Although the government retains the right to specifically enforce all provisions in the contract, the Performance Requirements Summary identifies those contract requirements considered most critical to acceptable contract performance and the government's intended quality assurance procedures. The Performance Requirement Summary references the most applicable section of Section C, the qualitative performance measure, the government's intended quality assurance procedures and frequency of inspection, and what the government believes is the minimum satisfactory rating at this time. The number of days identified in the minimum satisfactory rating is based on business days unless otherwise stated. The minimum satisfactory rating must be satisfied for each VA Region unless otherwise stated.

The Contracting Officer may unilaterally change the Performance Requirements Summary provided the Service Provider is notified of the change at least 30 calendar days prior to the beginning of the evaluation period to which the changes apply. Quality assurance procedures may be modified at any time without notice.

1.2 Contract Discrepancy Report

When the Service Provider's performance does not meet the minimum satisfactory rating, the COR will initiate a Contract Discrepancy Report. If the Service Provider receives a Contract Discrepancy Report, the Service Provider to explain in writing within 14 calendar days why performance was unsatisfactory, how performance will be returned to acceptable levels, and how recurrence of the unsatisfactory performance will be prevented in the future.

If the Service Provider's performance does not meet the minimum satisfactory rating within 60 days or falls back below the minimum satisfactory rating within six months, the COR will initiate a Repeat Contract Discrepancy Report. Just as for the Contract Discrepancy Report, the Service Provider shall

explain in writing within 14 calendar days why performance was unsatisfactory, how performance will be returned to acceptable levels, and how recurrence of the unsatisfactory performance will be prevented in the future. However, the Repeat Contract Discrepancy Report shall be signed by the Program Manager.

1.3 Contractual Enforcement Mechanisms

In addition to any other authority or recourse the contracting officer may have, the contracting officer may take any of the following actions if a Repeat Contract Discrepancy Report is sent to the Service Provider:

- Require the Program Manager to present the Service Provider's response to the Report in person;
- Require additional information or certification before Assignment Fees are paid ;
- Unilaterally modify the Performance Requirement Summary;
- Unilaterally modify paragraph 3.8.2, the method by which the Marketing Strategy is developed;
- Perform the work through other means and deduct the cost from the Service Provider's invoice; and
- Increased compliance inspection to be paid for by the Service Provider.

Performance Requirements Summary
"General" and "Acquire Title"

PWS Performance Requirements Reference		Performance Measure	Quality Assurance Procedure	Frequency	Minimum Satisfactory Rating
3.2.2	Maximize VA return on investment	Properties were managed and sold in a manner that achieved the highest possible ROI	Review ROI as reported in standard reports	Every three months and monthly thereafter	99% ROI (average for all properties over any three month period or monthly if ROI falls below 99% during any three month period)
3.2.9	Maintain files for each property	Files were complete and up to date	Inspection of random sample of files	Monthly	95% of required documents or resulting electronic data inputs are in file within 3 days of decision or activity
3.4.2	Timely review of title documents	Holder was notified if not all title documents were not received within five days of the deadline	Inspection of random sample of files	Monthly	95% of notifications made within 5 days; 100% of notifications made within 20 days
3.4.4	Reconvey property to Holder if title defects remain or documentation remains incomplete	Authorization to reconvey was appropriately requested of COTR	Inspection of random sample of files	Monthly	99% of requests for reconveyance were made as requested

Performance Requirements Summary
"Begin Initial Custody Actions" and "Manage Property"

PWS Performance Requirements Reference		Performance Measure	Quality Assurance Procedure	Frequency	Minimum Satisfactory Rating
3.3.2.	Notify property stakeholders	Parties are notified of change in property ownership	Inspection of random sample of files; reports from tax payment vendor	Monthly	90% of files show complete notifications within 3 days; 100% of files show complete notification within 10 days
3.3.3	Document whether property is vacant	File accurately reflects occupancy status of property	Inspection of random sample of files; inspection of random sample of properties	Monthly	occupancy status of properties is accurately determined in 90% of properties
3.7.1	Secure property	Property was secured in a timely manner	Inspection of random sample of files; inspection of random sample of properties	Monthly	90% of properties have been secured within 3 days; 100% secured within 10 days
3.7.7	Appraise property	Property was appraised in a timely manner	Inspection of random sample of files	Monthly	90% of properties were appraised within 10 days or have excusable delay; 100% appraised within 90 days
3.7.4 & 3.7.5	Maintain property	Property was secure, properly maintained, and free of hazards	Inspection of random sample of properties	Monthly	97% of properties
3.7.6	Perform repairs	Repairs performed in accordance with Marketing Strategy	Inspection of random sample of files; inspection of random sample of properties	Monthly	95% of properties

Performance Requirements Summary
"Market Property"

PWS Performance Requirements Reference		Performance Measure	Quality Assurance Procedure	Frequency	Minimum Satisfactory Rating
3.8.1	Perform Market Analysis	Physical inspection was performed and the conditions were properly annotated on the Property Inspection report	Inspection of random sample of files; inspection of random sample of properties	Monthly	97% of properties
3.8.2	Develop Marketing Strategy	ROI is acceptable ; Marketing Strategy is reasonably complete based on documents in file	Review of ROI in standard reports; Inspection of random sample of files; inspection of random sample of properties	Monthly	99% ROI (as for 3.2.2); 97% of properties have complete and reasonable Marketing Strategy

Performance Requirements Summary
"Sell Property"

PWS Performance Requirements Reference		Performance Measure	Quality Assurance Procedure	Frequency	Satisfactory Rating
3.9.1.2	Select best offer	Offers were evaluated and best offer selected	Inspection of random sample of files	Monthly	100%
3.9.2.2	Approve vendee loan applications	Decision to approve vendee financing was accurate and in VA's best interest	Inspection of random sample of files	Monthly	99%
3.9.3	Reconcile closing and forward funds to VA	Closing documents and funds were accurate and received by VA in a timely manner	Inspection of random sample of files	Monthly	100% received within three days or have excusable delay
3.9.4	Closeout records and support loan sales	Correct documents are forwarded to VA	Inspection of random sample of files	Monthly	98%
2.1.5	Prohibition on purchasing or selling property	Purchasers do not have indemnity of interest relationship with service provider	Inspection of random sample of files; Interviews of purchasers	Monthly	100%
3.8.7	Sales prior to listing	Purchasers were qualified to purchase prior to listing	Inspection of random sample of files; Interviews of purchasers	Monthly	100%

ATTACHMENT C-6, PROPERTY MANAGEMENT REGULATIONS

PM supports VA's efforts to minimize the cost of the home loan benefit provided to veterans. Although there are numerous legal requirements and regulations that must be observed in executing PM activities, the specific office of PM is not statutorily mandated. Nonetheless, VA must comply with Federal regulations and observe state and local rules and practices, as would any other single family real estate management and sales organization.

Federal Regulations

Although real estate rules and practices are guided primarily by state and local rules and regulations, there are several Federal regulations that play a significant role in property disposition. The statutory provision that gives VA authority to operate PM (38 U.S.C. Chapter 37) gives VA broad discretion to execute actions as it believes most appropriate. The Real Estate Settlement Procedures Act (RESPA) regulates the settlement process, especially when VA is also acting as the lender providing financing for the purchaser.

Priority purchasers include other Federal agencies, state governments, and certain non-profit organizations (particularly providers of shelter for the homeless). Finally, there are various Federal environmental statutes that apply to property owners that VA must observe. Most notable among these is the evaluation and control of lead-based paint and environment restoration requirements. Listed in the table below, Federal Regulations and Impact on Operations, are the more significant federal laws that affect VA PM operations. This table does not present a complete list. The Service Provider must be familiar with all federal laws regulating the management, sale, and financing of residential real property.

Federal Laws and Regulations and Impact on Operations

FEDERAL LAWS AND REGULATION	DESCRIPTION /IMPACT ON OPERATION
LGY Program Authority (38 U.S.C. Chapter 37)	Provides VA with the authority to acquire and sell properties secured by VA-backed mortgages.
Fair Housing Act, 42 U.S.C. §3601-3619 Civil Rights Act of 1968, Public Law 90-284(April 11, 1968)	Prohibit discrimination in the sale or rental of federally-owned properties because of the race, color, religion, sex, familial status, or national origin of a prospective buyer or tenant
RESPA (12 U.S.C. Sec. 2600) (Real Estate Settlement Procedures Act)	Requires disclosure be made to a home purchaser of the costs of settlement, lender servicing and escrow account practices, business relationships between settlement Service Providers. Prohibits certain practices that increase the cost of settlement services, such as referrals. fees. It also prohibits a seller from requiring the purchaser to use a particular title insurance company either directly or indirectly.
Lead Based Paint Hazard Control	Requires certain disclosures and actions to control residential lead based paint exposure; is the Title X of the Housing and Community Development Act of 1992 (P.L. 102-550).
Environmental Restoration	Requires the owner of property to take certain actions to minimize, disclose, or remediate environmentally related hazards; includes various Federal statutes and implementing regulations.
Federal regulations on lending and credit	See Truth and Lending, Fair Credit Reporting, Equal Credit Opportunity, and Fair Debt Collection Practices

State Laws and Regulations

Laws and regulations about real property vary across the nation, and are affected by state, city, and local laws. In addition, different subdivisions and Homeowners Associations have established different resident rules. Regulations governing properties are likely to be applicable only to specific properties. The variations between all of these laws will not be listed here, due to the volume and specificity of information required for different properties. A sample of applicable state laws which influence or direct how PM activities are carried out at local PM stations is included in the following discussion.

State and local rules and customary practices regulate or influence both property management and transactions. State laws, through legislation and past court decisions, assign property rights and responsibilities to various parties. Property rights are generally assigned to occupants, homeowners and condominium associations, and former owners, as well as to those who hold title as a matter of state property record keeping procedures.

Although VA may have acquired legal title to a property, it may not have immediate possession of the property. Without possession, VA has very limited ability to inspect, maintain, repair, or otherwise

prepare the property for sale on the open market. States differ on the extent to which they provide rights to occupants; however, all require procedural protections to occupants through a formal eviction process.

Many homeowners and condominium neighborhoods have associations of which all property owners within that neighborhood have an automatic membership. Homeowners and condominium associations usually have the authority to impose covenants upon members of the association. The covenants can be affirmative (requiring the member to take certain action, such as property maintenance) or negative (such as preventing the member from taking a certain action, such as changing the color of a door). As the owner of the property, VA must abide by these covenants. Generally, VA is not required to pay association fees incurred prior to the foreclosure sale; however, a case-by-case determination will have to be made in light of association covenants and state and local laws.

Most VA-acquired properties have been acquired through foreclosure. Since this is generally an adversarial process, many states provide an opportunity for former owners to redeem, or buy back, their property. The redemption rights of former owners typically include a time period during which time they can repurchase the property for a determinable amount.

States Providing Redemption Rights

REDEMPTION STATES	
Alabama	Michigan
Colorado	Minnesota
Illinois	Wyoming
Iowa	Maryland (Montgomery County)
Kansas	

NOTES:

RESPA is contained in 24CFR Part 3500 and at the time of document preparation can be found on the Internet at http://www.hud.gov/fha/res/resp3500.html.

As of this writing, Regulation Z, Section 226.24 could be accessed on the Internet at http://www.gpo.gov. From GPO's homepage, click on National Archives and Records Administration's Office of the Federal Register. Access Retrieve CFR sections by citation. This site will request information for the title, part, and section. Enter "12" under title; "226" under part; and "24" under section; click on retrieve.

ATTACHMENT C-7, APPLICABLE FORMS

NUMBER	TITLE	Date
OF 17	Sealed Bid Label	
26-70-1	Pamphlet – Minority Business Opportunities	10/97
26-96-1	Pamphlet – Vendee Loan Settlement Costs Booklet	3/96
26-0160	Counseling Checklist for Military Vendee Homebuyers	10/90
26-0167	Notice of Acceptable Title	7/92
26-0302	Notice of Special Flood Hazards	1/97
26-0503	Federal Collection Policy Notice (Rescind if not used by LP)	3/87
26-0585	VA Advertising Guidelines for Fair Housing	8/90
26-0592	Counseling Checklist for Military Homebuyers (see 0160)	7/90
26-0593	Important Information for Homebuyers	6/95
26-0595v	Property Inspection Report and Market Analysis	9/95
FL 26-607	Rejection of Vendee Loan Application – Income and/or Credit (front and back)	6/98
26-1830	Installment Contract for Sale of Real Estate	6/94
26-1857	Assignment of Installment for Sale of Real Estate	4/90
26-6393	Loan Analysis	1/92
26-6701	Property Analysis and Recommendation	4/89
26-6705	Offer to Purchase and Contract of Sale	12/93
26-6705a	Agreement to Repair and or Acceptance by Purchaser	4/92
26-6705b	Credit Statement of Prospective Purchaser	12/94
26-6705d	Addendum to Offer to Purchase (Virginia only)	4/95
26-6705e	Notice of Possible Lead-Based Paint and/or Lead-Based Paint Hazard	12/96
26-6714	Sales Closing Statement	7/89
26-6722	United States Government – Property Inspection Record	4/90

26-6724	Invitation, Bid, and/or Acceptance or Authorization	4/94
26-6725	Offer to Rent on a Month-to-Month Basis and Credit Statement	12/93
81-93	FEMA Standard Flood Hazard Determination	6/95
26-8355	Reminder for Visitors to VA acquired Properties	3/92
26-8497	Request for Verification of Employment	3/91
26-8497a	Request for Verification of Deposit	8/92
26-8513	Credit Disclosures (TIL and Good Faith Estimates)	
26-8709	Identification Card for Fee Personnel	7/92
EPA – 001	Pamphlet EPA 747-K-94-001 Protect Your Family From Lead in Your Home	5/95
EPA - 002	Pamphlet EPA 747-K-94-002 Reducing Lead Hazards When Remodeling Your Home	4/94

ATTACHMENT C-8, CALCULATION WORKSHEETS

C-8.1 Minimum Acceptable Net Return

The minimum acceptable net return is the lowest return to VA that may be accepted in response to a specific sales listing on a particular property. It is calculated by subtracting from the list price, (a) the maximum amount of sales commission and bonuses authorized for the particular property, and (b) the maximum amount of the trading margin authorized for the particular property. The Service Provider shall establish the trading margin for each list price in accordance with the Marketing Strategy.

C-8.2 Net to VA

The Net to VA is the amount received from an offer after deducting selling expenses (3% sales commissions, advertised sales bonuses, and any financing and closing costs paid on behalf of the purchaser). Special commissions that are based on the speed of sales closing are not deducted from the offered price in calculating the Net to VA. In order to calculate Net to VA, three elements are required: the MANR, which is described above, the Cash Equivalent Factor, and the Cash Equivalent Value, the latter two of which are described below:

- Cash Equivalent Factor (CEF): The CEF is a percentage that is used to convert a vendee loan amount to its corresponding cash value, and is based on the market prices periodically received for sold vendee loans. The amount of this factor will be calculated periodically and published by the CO.

- Cash Equivalent Value (CEV): The CEV is the gross cash value of a term offer, and it is determined by applying the CEF to the amount of the vendee loan requested, then adding the total amount of down payment and funding fee to be paid by the purchaser.

C-8.2.1 Calculating the net return of a term offer.

To determine the net return of a term offer, the CEV of the offer must first be calculated. After the CEV is calculated, then the amount of the sales commission will be deducted from the CEV to arrive at the net return.

Term Offer (Example)		
A. Offered Price	$75,000.00	
B. Less (-) Downpayment	$2,000.00	
C. Amount of Vendee Loan Requested (Item a-Item b)		$73,000.00
D. Times (x) Cash Equivalent Factor		96%
E. Cash Equivalent Value (CEV) of Loan Amount (Item C x Item D)		$70,080.00
F. Plus (+) Funding Fee (2.25%* of Item C)	$1,642.50	
G. Plus (+) Down Payment (Item B)	$2,000.00	
H. Additions to CEV of Loan Amount (Item F + G)		$3,642.50
I. Cash Equivalent Value of Total Offer (Item E + H)		$73,722.50
J. Less (-) Sales Commission	$2,250.00	
K. Less (-) Sales Bonus		
L. Total Deductions (Item J + Item K)		$2,250.00
M. NET TO VA (Item I - Item L)		**$71,472.50**

Note: The Funding Fee and CEF shown are for example purposes only.

C-8.2.2 Calculating the net return of a cash offer. To determine the net return on a cash offer, all costs to be paid on VA's behalf will be deducted from the bid price. These costs include sales commission and any amount which the buyer request to be paid toward discount points, loan origination fees and closing costs.

The total cost VA will pay will not exceed that which is reasonable and customary.

Cash Sale (Example)		
A. Offered Price		$75,000.00
Deductions		
B. Discount Points	$750.00	
C. Loan Origination Fee	$750.00	
D. Closing costs	$500.00	
E. Sales Commission	$2,000.00	
F. Sales Bonus		
G. Total Deductions (Item B through Item F)		$4,000.00
H. **NET TO VA (Item A - Item G)**		**$71,000.00**

C-8.3 Return on Investment

The return on investment (ROI) is the key performance measure by which VA measures its success in recovering as much of VA's costs in guaranteeing mortgages as possible. PM seeks to achieve a ROI of at least 100%, calculated as follows: total income received from the property divided by the total investment. The total income is primarily the sale price but also includes any funding fee and rents collected. The total investment is the sum of all VA's costs for the property, including property management fees, added to the Initial Capital Value of the property. The Initial Capital Value (ICV) is the value of the property at the time of the foreclosure sale as identified in the foreclosure appraisal, multiplied by a discount factor. The discount factor used reflects the losses that VA has historically incurred in disposing of the property. Currently, the discount factor used is approximately 86%. The following example demonstrates how the ROI would be calculated for a particular property:

Foreclosure appraisal	$60,000
ICV = ($60,000)x(.86) =	$51,600
Expenses	$8,000
Rents, funding fee collected	$0
Sale price	$62,000

ROI = ($62,000+$0)/($51,600+$8000) = 104%

C-8.4 Former Owner Sale Price

The sale price to a former owner is at VA's total investment in the property. This includes all disbursements made by VA in connection with the property, including the claim payment, the consideration paid the Holder for conveyance of the property, payments to the Holder of an FHA-insured loan, the unpaid balance on a direct loan or other portfolio loan, other acquisition costs and expenditures for repairs, taxes, property management fees, and other items. Rents will be credited. Interest will be accrued on all disbursements from the date made and on the amount paid the Holder from the data when the accrual of interest had been cut off. Interest on all disbursements will be accrued at the rate provided under the original loan instrument.

C-8.5 Quarterly Net Return

The expected and actual quarterly net return (QNR) shall be calculated each quarter to determine the Service Provider's Quarterly Performance Fee or Penalty. The expected quarterly net return is the return that VA would have expected on the properties sold during the three month period if a ROI of 100% had been attained. The actual QNR is the return achieved by the sales during the three month period. These are calculated based on the properties sold during the three month period as follows:

Expected QNR = (sum of the Initial Capital Values of properties sold)

Actual QNR = (sum of all sales and other income received) - (sum of all expenses incurred)

An example of these calculations based on the example ROI used above is provided below:

Sum of all foreclosure appraisals	$60,000,000
ICV = ($60,000)x(.86) =	$51,600,000
Expenses	$8,000,000
Rents, funding fee, etc. collected	$1,000,000
Total sales revenue	$62,000,000

Expected QNR = $51,600,000

Actual QNR = ($63,000,000) – ($8,000,000) = $55,000,000

Quarterly Performance Fee = (5%) x [($55,000,000) – ($51,600,000)] = $170,000

ATTACHMENT C-9, PLAN/PMS INFORMATION

1. VA's CURRENT DATA MANAGEMENT SYSTEMS

a. **Property Management-Local Area Networks (PLAN)**. PLAN is a Windows-based property tracking system that resides on each station's Local Area Network. It provides a comprehensive on-line system to automate PM daily functions including assignment, property analysis, offer acceptance, offer declining and withdrawing, underwriting, approval and rejections, complete closing packages, legal instruments, repair contracts issuance, authorizations controls, multiple sales listings, and table management and reporting. PLAN also provides an interface for on-line updates to the Property Management System (PMS) (see below), creating the appropriate PMS system batch transactions at the property level. The system provides case tracking, automated computations for such functional areas as property analysis, underwriting, and closing packages; automated forms and letters generation; and, other features including the ability to create consolidated property listing files for the world wide web (WWW).

b. **Property Management System (PMS)**. PMS is VA's centralized automated data processing system that resides at the VA AC (Automation Center), in Austin, Texas. It is a batch-oriented application and the single source for PM operational control data. All PM accomplishments are tracked using PMS COIN (Computer Output Identification Number) reports which are generated daily, weekly, monthly, quarterly, and annually. PMS was historically updated by the station's using Centralized Code Sheet Elimination (CSE), but recently was interfaced with PLAN to achieve on-line updates. While PLAN has replaced PMS as the primary data entry system, PLAN is not yet centralized, and it is imperative that PMS be updated daily to reflect property activity.

c. **E-Mail**. VA uses Microsoft Exchange E-mail. E-mail addresses for the Contracting Officer and others will be provided upon award.

d. **Websites**. VA's Departmental internet address is http://www.va.gov. This site provides information on Property Management and links to the RLC's individual sites where available. VA websites are for informational purposes only and not for use in transacting business under this contract.

2. Service Provider Connectivity and Data Management Requirements

The Service Provider shall coordinate the development of its Property Tracking System, and all other connectivity and data management requirements, with VA. These requirements include determining formats and requirements for the tracking system, data transmissions, e-mail, handling rejected data, and other connectivity and data management elements. The Service Provider shall ensure that both computer system personnel and key personnel are present for both system development and testing. A Service Provider computer system person shall remain available for system maintenance. Descriptions of specific transactions, including file, record, and field requirements, as well as transmission requirement will be provided upon award.

a. **Capability**: In addition to providing the materials and services necessary to perform the work specified in this PWS, the Service Provider shall provide the hardware and software necessary to:

(1) establish and maintain a Property Tracking System that serves as a repository for information on all properties assigned to the Service Provider,

(2) have the ability to transmit updated Property Tracking System data to VA on a regular basis,

(3) communicate with VA by e-mail,

(4) ensure data security, and

(5) receive Fax transmissions via a dedicated Fax line.

b. **Connectivity/Data Transmissions** : The Service Provider shall establish a procedure for on-line transmission of property data to VA databases on a daily basis. [Note: The data required to by transmitted will be specified in the final PWS.] The Service Provider shall ensure that data is complete and accurate and that all activity occurring since the previous transmission is included. VA reserves the right to revise the list or details of the data required to be transferred, with appropriate advance notification to the Service Provider.

c. **E-mail**: The Service Provider shall have the discretion to use E-mail to communicate with the CO-designated representatives, to provide or request information, and to submit individual requests for the CO-designated representative's prior approval as required in this solicitation.

d. **Data Security**: The Service Provider shall ensure that all transmissions are secure from tampering and from damage by viruses.

e. **Website**: The Service Provider shall establish an Internet website with links to the VA website, as appropriate. VA websites are for informational purposes only, and the Service Provider shall not use VA websites for transacting business under this contract. Details about what links should be established will be determined upon award.

f. **Fax**: The Service Provider shall establish a dedicated Fax line for VA-acquired properties. This dedicated line may be used for CO-designated representative use, as well as offer submission and other property activities.

g. **Service Provider Property Tracking System**: The Service Provider shall establish a Property Tracking System and shall ensure that an electronic record is established for each VA-acquired property upon assignment. The Service Provider shall ensure that electronic records are updated daily and maintained so that they consistently reflect current property status, past property activity, planned activity, expenditures made for each property, and expenditures planned and/or authorized but not paid. The Service Provider's Property Tracking System shall include all programs and checks and balances necessary to ensure that the requirements of this solicitation are met. The Service Provider's Property Tracking System shall include, but not be limited to the elements listed under "Required Property Tables and Fields" below.

ATTACHMENT C-10, REQUIRED REPORTS

NUMBER	REFERENCE	DATA REQUEST NAME	TYPE	FREQUENCY	SUBMITTED TO
1	2.6.2.1	Properties Assigned Invoice	Written	Monthly	CO
2	2.6.2.2	Properties Sold Invoice	Written	Monthly	CO
3	2.6.2.3	Incentive Fee Invoice	Written	Quarterly	CO/CODR
4	2.7	Inventory Activity Report	Written	Weekly	CO/CODR
5	2.7	Inventory Report	Written	Monthly	CO/CODR
6	2.7	Sold Property Report	Written	Monthly	CO/CODR
7	2.7	Aged Property Report	Written	Monthly	CO/CODR
8	2.7	Individual Property Closeout Reports	Written	As needed	CO/CODR
9	2.7	Narrative Reports	Written	Yearly	CO/CODR
10	2.7	Reconciliation of Properties Report	Written	Yearly	CO/CODR
11	2.7	Reconveyance Report	Written	Monthly	CO/CODR
12	2.7	Ad hoc Reports	Written	As needed	CO/CODR
13	3.2.4	Notice of fraud	Written	As needed	CO
14	3.2.7.	Correspondence Log	Written	As needed	CO
15	3.2.7.1	FOIA Responses	Written	As needed	CODR
16	3.2.7.2	Congressional Request Responses	Written	As needed	CODR
17	3.2.8	Post Closure Liability Claim	Written	As needed	CODR
18	3.4.3	Title Documents	Written	As needed	Appropriate Regional Council
19	3.4.3.2	Recommendation of Reconveyance	Written	As needed	Appropriate Regional Council
20	3.5.1	Redemption Proceeds	Currency	As needed	CODR

NUMBER	REFERENCE	DATA REQUEST NAME	TYPE	FREQUENCY	SUBMITTED TO
21	3.5.2	Request for Additional Information for Redemption Calculation	Written	As needed	CODR
22	3.5.4	Recommendation for rental collections or other occupancy fees	Written	As needed	CODR
23	3.5.5	VA's estimated liability to purchaser	Written	As needed	CODR
24	3.7.6.2	Request approval for emergency repairs expected to cost >$6000	Written	As needed	CO
25	3.7.7	Request approval to rent single family homes	Written	As needed	CO
26	3.7.7.3	Collect and Deposit rent	Currency	As needed	Treasury-approved depository
27	3.7.8	Supporting documentation for recommendation of demolition	Written	As needed	CODR
28	3.7.9	Approval to pay fees	Written	As needed	CODR
29	3.8.2.3	Authorization to decrease minimum list price to below 85% of initial list price	Written	As needed	CO
30	3.9.2.3	Vendee Loan application	Written	As needed	CODR
31	3.9.3.7	Sales Proceeds	Currency	Before end of next business day	Treasury-approved depository
32	3.9.4.3	Cash Closing Documents	Written	As needed	CODR
33	3.9.4.4.1	Vendee Loan File	Written	Monthly	VA's loan servicing agent
34	3.9.5	Prepare, record, and ship vendee loan sale documents	Written	Every three months	Trust address provided in loan sale package
35	6.1	Operating Plans including: QC Plan, Regional Marketing Plans, and Contingency Plan	Written	As needed	CO
36	6.2	Provide plan for corrective	Written	Within two business	CO

NUMBER	REFERENCE	DATA REQUEST NAME	TYPE	FREQUENCY	SUBMITTED TO
		action		days of receipt of request	
37	6.3.2.1	Copy of "Corporate Resolution"	Written	No less than 15 calendar days prior to starting full performance thereafter as needed	CO
38	6.3.2.1	List of positions or job titles that have authority to sign documents, if different from "Corporate Resolution"	Written	No less than 15 calendar days prior to starting full performance thereafter as needed	CO
39	6.3.2.3	Request to modify signature authority for POA	Written	As needed	CO
40	7.4	Close out files and data	Written	By last day of phase out period	VA
41	7.4	Final invoice and final copy of recurring reports, and narrative report on each region	Written	Within 30 calendar days after the end of the phase-out period	VA

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