

Bidder Qualification Application: Fannie Mae SFR REO 2012-1

Prospective Bidder Name:

Prospective Bidder Point of Contact:

Prospective Bidder Point of Contact Phone:

Prospective Bidder Point of Contact Email:

Overview

This Bidder Qualification Application (this “**Application**”) captures information for Fannie Mae to qualify persons or entities for participation in sealed bid auction sales of (i) real estate owned properties, and/or participation interests therein (collectively, the “**Assets**”) or (ii) managing member interests (each a “**Managing Member Interest**”) in one or more newly formed limited liability companies to which the Assets will be transferred by Fannie Mae and in which Fannie Mae will initially hold a retained interest (each a “**Proposed Transaction**”). As is outlined in the Application Scorecard Overview included in Appendix B, this Application is comprised of two levels of questioning. Prospective Bidders will provide responses in the space provided in this Application itself. Certain questions allow for the provision of additional information in the form of an attachment to this Application. Certain capitalized terms used in this Application without separate definition have the meanings given them in the Application Guidance and Instructions (the “**Guidance and Instructions**”).

Fannie Mae welcomes and encourages the participation of minorities, women, individuals with disabilities, and minority-, women-, and disabled-owned businesses and not-for profits (collectively “Diverse Owned Businesses**”) at all levels, in management and employment, in all business and activities, and in all contracts for services of any kind, including, but not limited to, Lead Bidders, Investors, Asset Managers, property managers, servicers, developers, housing counseling and housing advocacy groups (including national, state, and local affordable housing), public housing authorities and state housing finance agencies, environmental advocates, city governments, and labor unions.**

Guidance for completing this Application

This document should be read in conjunction with the accompanying Guidance and Instructions and Frequently Asked Questions, which provide further guidance on the completion of the following sections and instructions for submitting the completed document to Fannie Mae.

Transaction and Portfolio Qualification Request

Please select which sub-pool(s) you are requesting qualification for (can be one, multiple, or all) and whether you are requesting to be qualified for a Sole Owner Transaction, a Joint Venture Transaction, or both, for each respective selected pool:

Geographic Area	Sole Owner Transaction	Joint Venture Transaction
Atlanta, GA	<input type="checkbox"/>	<input type="checkbox"/>
Chicago, IL	<input type="checkbox"/>	<input type="checkbox"/>
Florida – Central and Northeast	<input type="checkbox"/>	<input type="checkbox"/>
Florida – Southeast	<input type="checkbox"/>	<input type="checkbox"/>
Florida – West Coast	<input type="checkbox"/>	<input type="checkbox"/>
Las Vegas, NV	<input type="checkbox"/>	<input type="checkbox"/>
Los Angeles / Riverside, CA	<input type="checkbox"/>	<input type="checkbox"/>
Phoenix, AZ	<input type="checkbox"/>	<input type="checkbox"/>

1.1 Proposed Acquisition Structure

Please provide, as an attachment, an overview of the proposed funding structure to depict graphically the contractual or equity relationships among the Lead Bidder and Investors in your bid, including the Managing Member (if already formed) and their expected ownership percentages and whether any entity is a Diverse-owned Business. Please refer to Appendix C for an example of the required documentation. Please indicate that this documentation has been included in your submission:

Yes

No

Please provide the following information for the Lead Bidder, all Investors (denominated as Investor 1 through Investor 4, as the case might be) and the other entities referenced below. If there are additional entities and / or more investor entities than provided for below, please include the below information for those parties as an attachment. Please indicate whether such attachment has been included in your submission:

Yes

No

ANY CHANGES TO THE PROPOSED STRUCTURE AND/OR INVESTORS PROVIDING >25% OF THE FUNDING (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE ASSET MANAGER AND PROPERTY MANAGEMENT INFRASTRUCTURE) MUST BE COMMUNICATED TO FANNIE MAE NO LATER THAN 10 BUSINESS DAYS PRIOR TO SUBMISSION OF YOUR BID. CHANGES THAT ARE UNDISCLOSED OR DISCLOSED LATE MAY RESULT IN A NON-CONFORMING BID.

All fields below are required.

NOT FOR EXHIBITION

Lead Bidder

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Tax Identification Number for the entity/business	
Identify names of stakeholders who own greater than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors and provide respective social security numbers.	
Provide estimated percentage of Lead Bidder interest in the Managing Member	
Is the Lead Bidder designated as a Diverse-owned Business? (please indicate 'yes' or 'no')	
Any prior, current, or solicited business relationship with Fannie Mae, and if yes, please describe	
Presently approved to purchase pools with FHLMC, Fannie Mae, and / or FDIC?	

NOT FOR EXECUTION

Managing Member (if already formed)

Name and address for the entity/business	
Tax Identification Number for the entity/business	
Any prior names or aliases for the entity/business	

Further, please describe the actual (if the Managing Member is already formed) or anticipated (if the Managing Member is not already formed, or if the Managing Member is formed but may change) legal and tax structure / election of the Managing Member.

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Investor 1

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Tax Identification Number for the entity/business	
Identify names of stakeholders who own greater than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors and provide respective social security numbers	
Provide estimated percentage of Investor 1 interest in the Managing Member	
Is Investor 1 designated as a Diverse-owned Business? (please indicate 'yes' or 'no')	
Any prior, current, or solicited business relationship with Fannie Mae, and if yes, please describe	
Presently approved to purchase pools with FHLMC, Fannie Mae, and / or FDIC?	

NOT FOR EXECUTION

Investor 2

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Tax Identification Number for the entity/business	
Identify names of stakeholders who own greater than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors and provide respective social security numbers	
Provide estimated percentage of Investor 2 interest in the Managing Member	
Is Investor 2 designated as a Diverse-owned Business? (please indicate 'yes' or 'no')	
Any prior, current, or solicited business relationship with Fannie Mae, and if yes, please describe	
Presently approved to purchase pools with FHLMC, Fannie Mae, and / or FDIC?	

Investor 3

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Tax Identification Number for the entity/business	
Identify names of stakeholders who own greater than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors and provide respective social security numbers	
Provide estimated percentage of Investor 3 interest in the Managing Member	
Is Investor 3 designated as a Diverse-owned Business? (please indicate 'yes' or 'no')	
Any prior, current, or solicited business relationship with Fannie Mae, and if yes, please describe	
Presently approved to purchase pools with FHLMC, Fannie Mae, and / or FDIC?	

Investor 4

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Tax Identification Number for the entity/business	
Identify names of stakeholders who own greater than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors and provide respective social security numbers	
Provide estimated percentage of Investor 4 interest in the Managing Member	
Is Investor 4 designated as a Diverse-owned Business? (please indicate 'yes' or 'no')	
Any prior, current, or solicited business relationship with Fannie Mae, and if yes, please describe	
Presently approved to purchase pools with FHLMC, Fannie Mae, and / or FDIC?	

NOT FOR EXECUTION

Asset Manager

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Tax Identification Number for the entity/business	
Identify names of stakeholders who own greater than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors and provide respective social security numbers	
Is the Asset Manager designated as a Diverse-owned Business? (please indicate 'yes' or 'no')	
Any prior, current, or solicited business relationship with Fannie Mae, and if yes, please describe	
Presently approved to purchase pools with FHLMC, Fannie Mae, and / or FDIC?	

NOT FOR EXECUTION

Key Decision Makers (i.e., senior executives or members of the senior management team who will be actively and meaningfully involved (directly or indirectly) in all non-ordinary course decision-making regarding (i) the conduct of the business and affairs of the Managing Member (including with respect to the Managing Member’s obligations and powers in its capacity as the manager of the Company) or (ii) the asset management of the Portfolio)

Name of Key Decision Makers	Entities/businesses with which Key Decision Makers are affiliated

Key Asset Managers (i.e., individuals with the power (either individually or collectively with other individuals), directly or indirectly, to manage and control, and who will be actively and meaningfully involved, directly or indirectly, on a day-to-day basis in, all ordinary course decision-making regarding asset management of the Portfolio)


Name of Key Asset Managers	Entities/businesses with which Key Asset Managers are affiliated

As part of the application process, Fannie Mae may conduct background checks for the Managing Member, Lead Bidder, Investors, Asset Managers, and key employees thereof that may cover a general background check, Better Business Bureau database inquiry, Office of Foreign Assets Control inquiry, Mortgage Asset Research Institute inquiry, Real Estate Board inquiry, and other inquiries / background check processes.

NOT FOR EXECUTION

Please disclose any relationships between and among (i) current and prior Fannie Mae employees and board members, and (ii) any of the Lead Bidder, Investors, Asset Manager, and their employees and board members, where an actual, perceived, or potential conflict of interest exists. Such relationships can include:

- Whether a current Fannie Mae employee or board member previously held a management position at any of the above
- Whether anyone in a management position in the above has ever been an employee or board member of Fannie Mae
- Whether any Fannie Mae employee or board member currently own more than 5% of any of the above (or subsidiaries)
- Whether a Fannie Mae employee or board member received any direct material benefit from any of the above
- Whether any of the above has a family member or relative that is a current Fannie Mae employee or board member



Please disclose any history of a Lead Bidder, key asset manager, investor or managing member, or any corporate entity to which they have been an officer, director or principal investor:

- Has been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application deadline; or
- Has within the past ten years been subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; or is the subject of an enforcement proceeding with any Governmental Entity; or
- Is on the debarred list of the United States Department of Housing and Urban Development; or
- Has breached a contract with a public agency and failed to cure that breach; or
- Has been found liable for civil or criminal penalties or damages in a lawsuit involving the health or safety of tenants in a development under their management or ownership, or the application of the Fair Housing Act; or
- Has within the past three (3) years ever been subject of potential violations of building code violations, Federal state or local housing discrimination complaints, or landlord tenant complaints; or
- Has ever been debarred from or restricted in participating in any government programs.

1.2 Diverse- and Disabled-Business and Not-For-Profit Participation

Fannie Mae **welcomes and encourages** Diverse-owned Business and Not-for Profit participation in Proposed Transactions. Not-for-Profit organizations include those exempt from tax under Section 501(c)(3) and entities wholly controlled by one or more 501(c)(3) organizations. Please indicate if any of the entities listed in this Section 1.2 are Diverse-owned Businesses and / or Not-for-Profit organizations. If the participant is a business entity (i.e., not an individual), to be considered “minority and/or women owned” the entity would be more than 50% owned and controlled, through day-to-day management by persons of one or more of the following groups: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, and/or Women. The provided information will be used to establish and monitor the effectiveness of Fannie Mae’s outreach efforts to support diversity of participation in Fannie Mae transactions.

Designation		Lead Bidder	Investor 1	Investor 2	Investor 3	Investor 4	Asset Manager
Are you a minority, or is your entity, minority-owned?	Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race/ Ethnicity	American Indian or Alaska Native	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Asian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Black or African American	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Native Hawaiian or Other Pacific Islander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Hispanic or Latino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you a woman, or is your entity women-owned?	Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you an individual with a disability or is your entity disabled-owned?	Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your entity a 501(c)(3) registered Not-For-Profit?	Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please check here if the Lead Bidder, Investor(s), and Asset Manager are not a Diverse-Owned Business, or Not-for-Profit:

Does your entity qualify as Diverse-owned under any statuses (e.g. LGBT, 8a, HUBZone, etc.)?
If so, please state.

NOT FOR EXECUTION

Level 1

1.3 Legal Background Response categories in this section are Yes/No. If the respondent's answer is "Yes", the respondent is required to provide additional information regarding their response. Please answer questions 1.3.1 through 1.3.14 on behalf of the Lead Bidder and all Investors (i.e., all investors in the Managing Member providing greater than twenty-five percent of the initial capital or ongoing funding to the Managing Member or any of its affiliates).

- 1.3.1 Has the Prospective Bidder or any of its Key Decision Makers or Key Asset Managers over the past seven years filed for protection under the Bankruptcy Code or any insolvency, reorganization, moratorium, receivership or other similar law affecting enforcement of creditors rights?**
- 1.3.2 Has the Prospective Bidder been determined to be insolvent by any bankruptcy court or had a receiver or conservator appointed by any state or federal regulator within the past seven years?**
- 1.3.3 Has the Prospective Bidder or any of its Key Decision Makers or Key Asset Managers been removed from or prohibited from participating in the affairs of any insured depository institution pursuant to any final enforcement action taken by any federal and or state banking agency?**
- 1.3.4 Has the Prospective Bidder or any of its Key Decision Makers or Key Asset Managers been removed from or prohibited from participating in the affairs of, or transactions with, Fannie Mae?**
- 1.3.5 Have any of the Prospective Bidder's Key Decision Makers or Key Asset Managers been a key employee with a Failed Financial Institution within the past seven years, or been restricted/prohibited from participating in the affairs of a Failed Financial Institution?**
- 1.3.6 Has the Prospective Bidder been informed of, or been subject to any legal proceeding involving fraud, criminal activity or breach of fiduciary duty in any jurisdiction (internationally and nationally) in the past five years?**
- 1.3.7 Within the past five years, has the Prospective Bidder been subject to any Federal or State citations or enforcement actions?**
- 1.3.8 Is the Prospective Bidder currently undergoing a dispute or engaged in unresolved matters involving correspondence with the IRS or other U.S. Government Agency?**
- 1.3.9 Is the Prospective Bidder currently, or has the Prospective Bidder previously been, subject to any investigations with respect to Anti-Money Laundering requirements or Patriot Act violations?**
- 1.3.10 Does the Prospective Bidder currently have a delinquent obligation to Fannie Mae, any US Government Department or a failed financial institution of \$50,000 or more?**

- 1.3.11 Does the U.S. Government currently hold investments, either directly or indirectly, in the Prospective Bidder under the Troubled Asset Relief Program (TARP)?**
- 1.3.12 If the Prospective Bidder is an FDIC insured depository institution, does the Prospective Bidder have a Memorandum of Understanding or other regulatory agreement that would prohibit or restrict participation in this type of transaction?**
- 1.3.13 If the Prospective Bidder is an FDIC insured depository institution, has the Prospective Bidder obtained from its primary federal regulator and/or its state supervisory authority either written approval to enter this transaction or a certification that such written approval has been waived or is not required?**

If yes, please provide a copy of such approval or certification as an attachment with "1.3.13 Regulatory Approval" in the file name.

- 1.3.14 Is the Prospective Bidder considered an "off-shore entity" or otherwise not subject to U.S. tax?**

Please answer questions 1.3.15 through 1.3.22 on behalf of the Asset Manager and Property Management Infrastructure.

- 1.3.15 Does the Asset Manager / Property Management Infrastructure require additional licenses, registrations, insurance coverage, permits or qualifications to be considered in compliance with all applicable laws in all states in which business would be conducted for the assets in the proposed transaction? If yes, please also provide the expected timeframe for receipt.**
- 1.3.16 Has the Asset Manager (or a Key Asset Manager) had any license terminated, canceled or revoked by any department or agency of the federal or any state or local government?**
- 1.3.17 Is the Asset Manager / Property Management Infrastructure currently subject to a pending enforcement action or regulatory investigation due to any potential RESPA, FCRA, or GLB Privacy Act violations, or potential violations of possible building codes?**
- 1.3.18 Is the Asset Manager / Property Management Infrastructure a wholly owned subsidiary of an insured depository institution?**
- 1.3.19 Has the Asset Manager / Property Management Infrastructure been continuously engaged in the management of real estate (please specify type, such as single family residential or multifamily and asset management strategy, such as rental or liquidation) as a principal business for fewer than 3 years?**
- 1.3.20 Has the Asset Manager / Property Management Infrastructure ever been removed or prohibited from serving in its respective capacity, or any capacity, with Fannie Mae?**
- 1.3.21 Is the Asset Manager / Property Management Infrastructure involved in any material litigation?**

Level 2

The qualification questions below allow Prospective Bidders to provide detailed responses pertaining to their qualifications in general as well as specific to the Portfolio. Questions in the section are listed by the category in which responses will be scored.

2.1 Financial Background

2.1.1 Is the Prospective Bidder rated by a nationally recognized rating agency (e.g. Fitch, Standard and Poor's, Moody's or AM Best)?

Yes No

If yes, please provide rating, rating type (credit rating or issuer rating), rating outlook, and name of rating agency. Also, provide latest rating report available as an attachment with "2.1.1 Prospective Bidder Rating" in the file name.

Credit rating will be scored in a manner consistent with the rating agency definitions.

Example:

Yes: Satisfactory = High/Strong/Good/Adequate

Unsatisfactory = Speculative/Fair/Poor

No: Unscored

2.1.2 Please provide audited or CFO-certified financial statements for the Lead Bidder and all Investors (i.e., all investors in the Managing Member providing greater than twenty-five percent of the initial capital or ongoing funding to the Managing Member or any of its affiliates). See Appendix A for the required format of CFO certification. Please provide these as attachments with "2.1.2 Financial Statements" in the file name. In the event that no one investor of the Managing Member, exceeds the twenty-five percent threshold noted above, Fannie Mae reserves the right to request audited or CFO-certified financial statements from investors with a lesser percentage in the Managing Member.

If financial statements are not available, please explain why financial statements are not available, and provide alternative information to support the current financial position of the Prospective Bidder.

Satisfactory = Yes, or Prospective Bidder has provided appropriate documentation to support the financial position.

Unsatisfactory = Insufficient documentation/details to demonstrate financial position

2.1.3 Please provide bios/resumes of the Key Decision Makers who will serve with respect to the Managing Member post transaction (not Key Asset Managers, for whom information will be provided in Section 2.3.1), and please document relevant prior experience. Please provide these as attachments with “2.1.3 Bios/Resumes of Key Decision Makers” in the file name.

Satisfactory = Yes, or Prospective Bidder has provided appropriate bios/resumes of Key Decision Makers.

Unsatisfactory = Insufficient documentation/details concerning qualifications of Key Decision Makers.

2.2 Funding

For the Lead Bidder and all Investors (i.e., all investors in the Managing Member providing greater than twenty-five percent of the initial capital or ongoing funding to the Managing Member or any of its affiliates), please indicate the source(s) and amount of funding available to fund the anticipated bid, as required by the proposed transaction terms. Third party documentation (e.g., bank statements, commitment letters, etc.) must be provided to support the availability of the funds identified. Please include “2.2 Funding” in the file name.

Type of Funding	Amount of Funding (\$)	Availability: Timing Necessary to Secure Funds (# of Business Days)	Restrictions and/or Contingencies (Y/N If yes, please explain)	Third-Party Supporting Documentation (bank statements, commitment letters, etc.) and Source(s) of Funding (Reference attachment name)
Readily Available Cash				
Debt				
Capital Call				
Other Sources of Funding				
Total Available Funding				

Prospective Bidders are required to provide documented evidence of a total funding amount that is free, clear and available to close the transaction and fund the equity interest being acquired (i.e., the bid price). Prospective Bidders are advised that funding in addition to the bid price amount may be required to fund upfront and ongoing obligations (i.e., working capital, development efforts, unforeseen/stress liquidity needs) as required by the transaction documents.

Satisfactory = Funds are readily available.

Unsatisfactory = Insufficient details/plans to secure funding.

2.3 Asset Management

2.3.1 Asset Management Experience

For the Asset Manager and team that will work on the Portfolio, please provide the following information regarding their current and past portfolio and experience (also provide the name of any and all third party contractors who will be performing these services on your behalf, including bios/resumes of the Key Asset Managers who will work on the Portfolio post transaction in a separate attachment, with “2.3.1 Bios/Resumes of Key Asset Managers” in the file name) in a separate attachment, with “2.3.1 Asset Management Experience” in the file name.

- A. General
 - a. Composition of portfolio (single family, multi-family, office, commercial, etc)
 - b. Geography of portfolio (include top 5 markets), and number of units managed by property type
 - c. Asset management strategy, or strategies, of portfolio / components thereof
 - d. Number of years experience for each area
 - e. Implementation of asset management strategy at the local / property level
- B. Leasing Management and Tenant Relations
 - a. Workouts (e.g. methods to address non-paying tenants)
 - b. Collection practices
 - c. Eviction
 - d. Handling of tenant and / or property issues and complaints
 - e. Tenant communications
 - f. Tenant evaluation and selection
 - g. Handling/tracking of low and moderate income tenants
 - h. Other tenant services
- C. Rehabilitation / Property and Site Preparation
 - a. Zoning / Permitting Experience
 - b. Architect / Engineering Staffing
 - c. Contractors / Vendors
- D. Property / Project Management
 - a. Project management along with affiliations and/or experience
 - b. Preferred general contractors and relationships, and vendor management
 - c. Handling of property maintenance and repair requirements, and standards used
 - d. Project Budgeting / Forecasting
 - e. Budgeting and funding of replacement reserves
 - f. Property Management Infrastructure, such as whether properties are managed internally or by third parties, and names of third party service providers
- E. Community Relations
 - a. Community awareness and engagement
 - b. Neighborhood employment outreach programs or initiatives
- F. Compliance / Reporting
 - a. Oversight, reporting, monitoring of results / efficacy
 - b. Quality control practices – identification and resolution of issues

- G. Legal / Document Retention
 - a. Legal Staffing / Counsel
 - b. Contract / document creation and management

NOT FOR EXECUTION

Document relevant prior experience including the following:

Previous Work on Similar Projects

- Discuss involvement in all similar assets and geographies as those listed in the offering, including any submarkets where subject assets are concentrated, and for which qualification has been requested, that the Asset Manager worked on in the last three years.
- Please list each portfolio including the name, type and geography.

Residential and Commercial Seriously Delinquent Loans, Foreclosures, and REO

- Provide information on any recent experience with the above assets and rental tenants, including those in any submarkets where subject assets are concentrated.
- Please describe your approach in managing and communicating with tenants during this transition.

Leasing and Re-Leasing Arrangements

- Provide information on any recent experience with leasing and re-leasing, as well as describe your tenant screening and selection criteria for different tenant rent types (e.g. low-rent tenants, moderate-rent tenants, market-rent tenants).

Satisfactory = Information provided shows that Asset Manager has an experienced management team and operation which has demonstrated an ability to manage the risks for the asset type(s) acquired from Fannie Mae

Unsatisfactory = Information provided does not show that the Asset Manager has sufficient experience and an operation which has demonstrated the ability to manage the risks for the asset types acquired from Fannie Mae

NOT FOR EXECUTION

2.3.2 Is the Asset Manager rated by a nationally recognized rating agency (e.g. Fitch, Standard and Poor’s or Moody’s)?

Yes No

If yes, please provide the rating category, rating level, rating outlook, and name of rating agency. Also provide the latest rating report available with “2.3.2 Asset Manager Rating” in the file name of the attachment. Credit rating will be scored in a manner consistent with the rating agency definitions.

Example:

Yes: Satisfactory = High/Strong/Good/Adequate

Unsatisfactory = Speculative/Fair/Poor

No: Unscored

NOT FOR EXECUTION

2.4 Property Management Infrastructure

2.4.1 Property Management Infrastructure Description

In a separate attachment with “2.4.1 Property Management Infrastructure Description” in the file name, please describe the infrastructure you will utilize to implement the asset management strategy contemplated by the proposed transaction, and capacity for portfolio growth. For example, describe your use of third party property management companies, servicers, realtor networks, community groups, etc., the names of the entities you anticipate using, and the roles each will serve. Please also provide information on existing subcontracting arrangements and offshore service providers being used (if applicable) and if agreements have been formally executed with these providers. The example diagram in Appendix C can be utilized to illustrate the infrastructure description.

2.4.2 Property Management Infrastructure Overview

Operational Experience

In a separate attachment with “2.4.2 “Property Management Infrastructure Overview”” in the file name, please provide information on specific skills and expertise (include details on management’s experience) of the different components of your Property Management Infrastructure operations with particular emphasis on experience and capabilities in management, property types, and geographies specific to the Portfolio to be acquired from Fannie Mae. Your response should include, but not be limited to, the aspects listed below:

- A. General
 - a. Infrastructure capacity to assume the assets in the proposed transaction
 - b. Information on the specific asset characteristics of portfolio currently served by the Property Management Infrastructure proposed to be used, including the number and types of assets serviced and geographic distribution of the assets
 - c. Information on the specific asset characteristics of portfolio currently served by the Property Management Infrastructure proposed to be used, including the number and types of assets serviced and geographic distribution of the assets
 - d. Marketing of properties for rent and ultimate exit
- B. Leasing Management and Tenant Relations
 - a. Tenant issues, including after hours support (define normal hours and after hours) and emergency repair issues
 - b. Ability to implement different lease terms (12 months, 24 months, etc.)
- C. Rehabilitation/Property Site
 - a. Property repair standards and use of local vendors and contractors
 - b. Standards for on-going maintenance and use of local vendors and contractors
- D. Property / Project Management
 - a. Cash management practices and operations
 - b. Contract management, including drafting, negotiation, execution, archive and retrieval, and renewal (including determination of renewal rent rate and term)

- E. Community Relations
 - a. Geographic / local market expertise (including how such expertise is gained, such as activity in the markets, relationships with local market participants, etc.)

- F. Compliance/Quality Control
 - a. Employee and vendor background checks and monitoring
 - b. Quality Control controls for ensuring compliance and addressing issues as they are identified

Please provide information on the Property Management Infrastructure's capabilities, experience and dedicated staffing in successfully dealing with non-English speaking tenants, service providers, and other stakeholders. The information should clearly address the operations, including technology and strategy to provide services to / communicate with non-English speaking tenants.

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Provide additional information on:

- IT and technical infrastructure that will be used to support portfolio and property management activities
- Current disaster recovery plan
- Current data security and access controls

Satisfactory = Information provided shows that Property Management Infrastructure experience and capability to properly implement management of assets of the type to be acquired from Fannie Mae.

Unsatisfactory = Information provided does not show that Property Management Infrastructure has experience and capability to properly implement management of assets of the type to be acquired from Fannie Mae.

2.5 Portfolio Management Plan

2.5.1 Portfolio Management Plan

Please provide in a separate attachment with “2.5.1 Plan” in the file your portfolio management plan for managing the Portfolio. **All responses provided in this section should be specific to the Portfolio to be transferred to the Company.** Prospective Bidders should provide a plan, and related timing, that demonstrates how they will transition, control, direct, accomplish, and realize value from (exit) the Portfolio consistent with the asset management strategy guidelines and / or requirements of the proposed transaction. The plan should provide a clear, realistic management, marketing, and disposition strategy.

The plan should address but not be limited to the following areas:

Overall Project Strategy

Discuss the continuance/transition plan, based upon the current status of the Portfolio and any real estate development projects that are included in or related to the Portfolio.

Discuss the anticipated strategy to maximize the value of the portfolio, including plans for the operation, management and disposition of the assets.

Operational Capacity

Please provide information to support the operational capacity of the proposed Property Management Infrastructure to manage the Portfolio. Indicate whether any systems or business processes are currently being changed or upgraded, or will need to be as a result of being awarded the portfolio.

Please discuss the Property Management Infrastructure's staffing and technology, experience and capability to be implemented to address issues affecting non-English speaking homeowners through call center operations, local service providers, and other procedures.

Property Management Capabilities

Describe overall plan to manage a portfolio of single family properties with both rented and vacant units in the geographies for which qualification has been requested, including those in any submarkets where subject assets are concentrated. Items to consider include:

- A. Property preparation / maintenance / repair
 - a. Description of process for determining the condition of a property
 - b. Process for securing, maintaining, repairing and inspecting properties
 - c. Ensuring repairs and maintenance are performed in compliance with all local, state, and federal codes and laws
- B. Leasing practices
 - a. Process for determining lease eligibility
 - b. Process for determining tenant eligibility
 - c. Quality control process for lease and tenant eligibility qualification activities
 - d. Process for tenant evictions (including eviction avoidance) and quality control
- C. General project management
 - a. Plan to maximize local property management expertise
 - b. Plan for delivering / receiving services at the local level (e.g. community employment opportunities)
 - c. Whether there are any pre-existing agreements, strategic alliances, or other arrangement of the Property Management Infrastructure with a particular customer, market, technology, or product that could prevent, encumber, or restrict or adversely impact performance
 - d. Whether there are any licensing, cross licensing or other contractual agreements that set forth limitations (e.g., exclusivity) on performing any of the services required
- D. Risk management / quality control
 - a. Quality control and oversight process for each property management function
 - b. Process for conducting Office of Foreign Asset and Controls (OFAC) checks

Management of Business Risk

Describe how you will identify and manage risk. Items to consider include:

- Watch List Management - properties with issues that, if not corrected, could negatively affect cash flow or property values, or particular risks to be managed (e.g. tenant at risk for non-payment, critical repair projects, etc.). Items to specifically address include:
 - Criteria for placement on the Watch List
 - Management review and oversight of corrective measures
 - Quality control process for ensuring that issues are addressed proactively
- Construction / Capital Improvement (engagement of contractors, oversight, budgeting, etc.)
- Vendor Work Order process and management
- Evictions
- Marketing and Leasing Plan
- Management of replacement / rehabilitation / maintenance reserves

Governance

Describe your Governance Plan. Items to consider include:

- Governance of entity formed to acquire an equity interest in a joint venture or sole ownership, as the case may be
- Experience running a joint venture transaction (only if qualification for a joint venture has been requested)
- Experience and ability to monitor and enforce post closing conditions and restrictions (regardless of whether in context of a joint venture transaction)
- Potential, actual, and perceived conflicts of interest and use of affiliates

Reporting

Describe reports you plan to produce and use, and your ability to submit required reporting. Items to consider include:

- Work order processing reports.
- Preparation of an annual operating budget
- Preparation and delivery of portfolio and property level reports (monthly, quarterly, and annual), including income and expense statements and Rent Roll
- Property condition assessments and reports
- Reporting rental types (including low, moderate, market)
- Internal Controls (including protecting tenant confidential and personal information generally, as well as protection of information on assets in the proposed transaction that would share systems with data / information other assets not part of the proposed transaction)
- Internal Staffing
- Technology assets (software systems, etc.)
- Capabilities to deliver reports electronically

- The ability to implement a damaged credit repair program with the goal of improving the credit standing of tenants (this may include reporting tenant rent payments and histories to credit agencies, or other actions that could improve the credit standing of tenants)

Leasing and Re-leasing Strategy

Describe marketing, leasing, and/or re-leasing strategy for each type of asset in the Portfolio for which qualification has been requested, and include in your response:

- Strategy / approach for marketing and securing tenants for scattered site residential single family vacant properties and retaining tenants / re-releasing occupied properties
- Criteria to screen and qualify prospective tenants for single family residential properties, and criteria for different tenant rent types (e.g. low-rent tenants, moderate-rent tenants, market-rent tenants)

Exit Strategy

Describe the disposition and marketing strategy for each type of asset in the Portfolio.

Please provide disposition strategies for the portfolio and individual properties, and the timing to do so

- Analysis of market trends (current and future)
- Individual property assessments
- Methodology for valuing

Satisfactory = Information provided demonstrates a clear overall project strategy and continuance/transition plan to manage the Portfolio and Company in accordance with the asset management strategy of the proposed transaction until the Portfolio has been liquidated

Unsatisfactory = Information provided exhibits deficiencies in understanding of overall project strategy and continuance/transition plan to manage the Portfolio and Company in accordance with the asset management strategy of the proposed transaction until the Portfolio has been liquidated

2.6 Additional Information

Please include in a separate attachment any additional information that may not have been requested but that you believe is supportive of your qualification proposal, and name the attachment “2.6 Additional Information.”

Appendix A – CFO certification of financial statements.

I, _____(insert name and title here), certify that the information contained in the _____(Entity name) unaudited balance sheet and income statement (or unaudited financial statements) fairly presents, in all material respects, the financial condition and results of operations of the company as of _____[Date].

(Signature)

(Title)

(Date)

NOT FOR EXECUTION

Appendix B

Scoring Methodology Overview

Application Scorecard Overview	Credit History and Legal Record	Diverse-owned or Not-For-Profit Participation	Financial Background	Funding	Asset Management	Portfolio Management Plan
<p>Level 1 Response categories are Yes/No. If a respondent answers “Yes”, the respondent is required to provide additional information.</p>	<p>Responses will be “No” or “Yes”</p> <p>“No” results in a pass</p> <p>“Yes” requires additional information</p>	<p>Level 1 responses will be identified in Section 1.2</p>	N/A	N/A	<p>Responses will be “No” or “Yes”</p> <p>“No” results in a pass</p> <p>“Yes” requires additional information</p>	N/A
<p>Level 2 Prospective Bidders will prepare responses to qualification questions pursuant to the instructions included in the Application Instructions.</p>	N/A	N/A	<p>Ratings: Satisfactory Unsatisfactory</p>	<p>Ratings: Satisfactory Unsatisfactory</p>	<p>Ratings: Satisfactory Unsatisfactory</p>	<p>Ratings: Satisfactory Unsatisfactory</p>

Level 1

Should an answer to any of the Level 1 questions be “Yes”, an explanation will be required regarding the specific issue identified. Responses will be identified as set forth in Sections 1.1, 1.2, and 1.3.

Level 2

Scoring of answers for this section will be “Satisfactory” or “Unsatisfactory.”

Level 2 Questions cover Financial Background, Funding, Asset Management experience, Property Management Infrastructure and Portfolio Management Plan. Each of the Level 2 sections will receive an overall score of Satisfactory or Unsatisfactory. The scoring methodology for each of these sections is explained below, and is based on the responses to the individual questions within those sections.

Fannie Mae will consider the overall merits of each application compared to the complexity and risks of the Portfolio to be transferred to each Company as part of the transaction.

The following provides examples of scoring criteria for the Bidder Qualification Application within the respective categories for Level 2 questions:

Funding

A satisfactory Prospective Bidder is expected to demonstrate the following:

- Financial resources are readily available to close the transaction within Fannie Mae's prescribed timeline.
- Financial resources are available to fund the management of the assets post closing, potentially including completion of projects, and funding of existing commitments. Further, a satisfactory Prospective Bidder should demonstrate that additional funding is available or can easily be accessed in the event of an unforeseen stress on liquidity.

A Prospective Bidder demonstrating the following attributes may be considered Unsatisfactory with respect to

Funding:

- An inability to demonstrate that sufficient funding is available.
- An inability to demonstrate that the Prospective Bidder can close the transaction within Fannie Mae's prescribed timeline.
- No clear plan for ongoing funding of the management of the assets.
- An inability to demonstrate that resources are available to fund the management of the Assets post closing or in a liquidity stress event.

Property Management Infrastructure

A satisfactory Property Management Infrastructure is expected to demonstrate the following:

- Relevant experience demonstrated management team and infrastructure
- Capability to manage the types and volumes of assets
- Experience and dedicated staffing in successfully dealing with non-English speaking tenants, service providers, and other local stakeholders

A Property Management Infrastructure demonstrating the following attributes may be considered Unsatisfactory:

- Inexperienced management team
- Lack of infrastructure and experience to operate the assets included in the Portfolio
- Inability to provide satisfactory reports

Asset Manager

Information provided for the Asset Manager (whether the Managing Member or otherwise) is expected to demonstrate prior asset management experience relevant to the Portfolio to be transferred to the Company as part of the transaction, together with an experienced project management team and financial and operational capabilities to manage the Portfolio and Company until the Portfolio has been liquidated.

The Asset Manager will be assigned a "Satisfactory or Unsatisfactory" rating based upon relevance and depth of experience compared to the Portfolio to be transferred to each Company as part of the transaction.

Portfolio Management Plan

Information provided in the Portfolio Management Plan is expected to demonstrate a clear overall project strategy and continuance/transition plan to manage the Portfolio and Company in accordance with the asset management strategy of the proposed transaction until the Portfolio has been liquidated. The plan is also expected to demonstrate existence of an experienced project

team, with relevant skill sets to complete the asset management plan, which includes the orderly liquidation of the Portfolio.

All responses provided in this section should be specific to the Portfolio to be transferred to the Company as part of the transaction, and for which qualification has been requested. Prospective Bidders should provide a plan that demonstrates how they will plan, control, direct, manage, transition and liquidate the Portfolio, and the related timing thereof. The plan should also provide a clear, realistic marketing and disposition strategy for the Portfolio. The Prospective Bidder's Portfolio Management Plan will be assigned a "Satisfactory or Unsatisfactory" rating based upon the ability to demonstrate these specific requirements.

NOT FOR EXECUTION

Appendix C

Required Documentation for Proposed Funding Structure

The following diagram is an example of a proposed funding structure that should be submitted with the application. *When preparing your diagram, please be sure to indicate whether any entity is a Diverse-owned Business, as indicated in the example below.*

Example 1:

