

REQUEST FOR PROPOSAL

FOR

Mortgage Insurance Loss Mitigation Process

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201702153

Originating Department: Professional Services
and Real Estate

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SECTION 1 GENERAL INFORMATION

1.1 Overview of Section 1

The purpose of this section is to provide general information about Canada Mortgage and Housing Corporation (CMHC) and this Request for Proposal (RFP). All capitalized terms in this document have the meaning ascribed to them within the RFP document, the draft agreement, or in certain cases, are terms that are in commonly usage at CMHC.

1.2 Introduction and Scope

CMHC wishes to enter into an Agreement with one or more vendors (hereafter referred to as the “proponent(s)”) to provide services, as a Claims Service Provider (“CSP”), with respect to CMHC’s mortgage insurance loss mitigation process, also known as the Enhanced Claims Service (ECS) process. The CSP will provide legal services, securing and property management services and marketing and sales services.

This Agreement will have an initial term of up to three years, with the potential to renew for two subsequent one-year renewals, not to exceed a cumulative total of five years.

By issuing this RFP and accepting proposals, CMHC assumes the obligation of conducting the process in a fair and transparent manner. CMHC has no obligation to procure any services, or to compensate any proponent for work done other than as may be set out in a written contract with that proponent.

1.3 CMHC Background

CMHC is the Government of Canada’s National Housing Agency, with a mandate to help Canadians gain access to a wide choice of quality, affordable homes. It is a Crown corporation, with a Board of Directors, reporting to Parliament through the Minister of Families, Children and Social Development, and Minister responsible for Canada Mortgage and Housing Corporation, the Honourable Jean-Yves Duclos.

CMHC has more than 2,000 people located at its National Office in Ottawa, and at various Business Centres throughout Canada. The Business Centre areas are divided into five regions: Atlantic; Quebec; Ontario; British Columbia; and Prairies & Territories.

1.4 Purpose of Request for Proposal

CMHC uses an RFP to describe its requirements, ask suppliers for their proposed solutions, describe the criteria which will be used in evaluating proposals and selecting a lead proponent(s), and outline the terms and conditions under which the successful proponent will operate or supply goods and/or services. By submitting a proposal, proponents agree to be bound by the terms of this RFP, and the terms of the proposal that they submit.

In this RFP process, proposals and proponents are evaluated in terms of ability to satisfy the stated requirements, while providing best value to CMHC with respect to its requirements.

1.5 Service Providers Database

CMHC utilizes the Supplier Registration Information (SRI) database, maintained by **Public Works and Government Services Canada** as the Official CMHC source list.

All proponents **must** be registered with **Public Works and Government Services Canada** prior to submitting a proposal. The Procurement Business Number (PBN) provided by this registration must be included with your proposal. If you are not registered, and you wish to do so, you may access (<https://buyandsell.gc.ca/>) or you may call their Information Line at: 1-800-811-1148.

1.6 Schedule of Events

The following schedule summarizes significant target dates for the RFP process. These dates are objectives only, and they may be changed by CMHC at its sole discretion. They shall not be considered terms or conditions under which the RFP will be conducted.

Date	Activities
June 5, 2018	Request for Proposal issued
July 13, 2018	Submission of questions deadline
July 19, 2018	Submission Deadline
August 31, 2018	Completion of Evaluation and Selection of Lead proponent(s)
October 31, 2018	Completion of Due Diligence on Lead Proponent(s)
December 2018	Agreement(s) award and finalization with Lead Proponent(s)
January 1, 2019	Contract effective date
February 2019 (As requested)	Debriefing to unsuccessful proponents

1.7 Mandatory Requirements

Throughout this RFP, certain requirements are identified as mandatory. Compliance with mandatory requirements will be assessed by CMHC in its sole discretion.

A mandatory requirement is defined as:

- a minimum standard that a proposal must meet in order to be considered for further evaluation;
- a requirement that must be met in order for the proponent to substantially comply with the requirements of the RFP; and
- a term that must be included in any Agreement that results from the RFP.

Mandatory requirements are identified in:

- Section 2 Submission Instructions;
- Section 4 Proposal Requirements;
- Section 6 Draft Agreement; and
- Appendix A The Certificate of Submission.

Caution: Proposals which fail, in the reasonable discretion of CMHC, to meet any mandatory requirement will be eliminated from further consideration in the evaluation process. Notwithstanding the foregoing, CMHC reserves the right to waive or revise any mandatory requirements during the RFP process if a waiver or revision is necessary to meet the CMHC's intent in issuing the RFP, or to ensure that CMHC receives best value from the process. In the event that CMHC elects to waive a mandatory requirement, all proponents will be advised of the change in requirements and provided with an opportunity to revise their proposals as noted in section 2.8.

1.8 Proponent Feedback

CMHC aims to continuously improve its bid documents and procedures. CMHC welcomes input regarding proponent experience in responding to its RFPs, whether it be positive or negative. As CMHC does not wish to be perceived as influenced by such feedback in the award decision, proponents are requested to submit their feedback after an Agreement has been executed or the RFP process has been terminated.

Proponents wishing to provide feedback may submit comments labeled as ***Proponent Feedback RFP # 201702153*** to the name and address provided in Section 2.4.

Any proponent who notes a material flaw in the RFP that could prevent the process from being conducted in a fair and objective manner, or that could prevent CMHC from receiving best value from the process, is asked to report the flaw to CMHC as soon as possible, using the inquiry process specified in Section 2.4

1.9 Direct Deposit and Income Tax Reporting Requirement

All payments and transfers of funds under any resulting contract will be made by means of EFT direct deposit, unless an exception is requested in the proposal and is approved prior to execution of a contract.

As a federal Crown Corporation, CMHC is obliged under the *Income Tax Act* and its associated regulations to report payments to suppliers of goods and/or services by using a T1204 supplementary slip. Proponents are therefore required to provide the necessary information, including the proponent's social insurance number and/or corporate identification number, with their proposals in order to allow CMHC to complete the T1204 supplementary slip. The lead proponent will be required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to the commencement of the term of any resulting agreement.

Throughout the term, the Contractor will be required to ensure that the information provided remains accurate and up to date. The Contractor assumes full responsibility for and indemnifies CMHC from and against any errors in payments or tax reporting that arise because the information supplied is inaccurate or out of date.

SECTION 2 SUBMISSION INSTRUCTIONS

2.1 Overview of Section 2

The purpose of Section 2 is to inform the proponent about CMHC's procedures and rules pertaining to this RFP process.

Proponents are advised that CMHC has provided a Mandatory Compliance Checklist as Appendix C to the RFP. The Checklist is provided for the benefit of proponents prior to submission of their proposals, to help them ensure that they have complied with all mandatory requirements. Non-compliance with a mandatory requirement will result in the proposal being eliminated from further consideration.

2.2 Certificate of Submission

MANDATORY

The Certificate of Submission, attached as Appendix A, summarizes some of the mandatory requirements set out in the RFP. As noted in Section 1.7, it is also a mandatory requirement that a proposal include a Certificate of Submission (or an accurate reproduction) signed by the proponent.

Should a proponent not include the signed Certificate of Submission with its proposal, the proponent will be notified by CMHC and will have 48 hours from the time of notification to meet this requirement.

2.3 Delivery Instructions and Deadline

Timely and correct delivery of proposals to the exact specified proposal delivery address is the sole responsibility of the proponent. All risks and consequences of a failure to deliver a proposal to CMHC are borne by the proponent. CMHC will not assume those risks or responsibilities under any circumstances.

The time of delivery for the purposes of this section is deemed to be the time recorded by the CMHC system receiving the proposal, and not the time the proposal was sent by the proponent.

Please be advised that EBID has a size limitation 10 MB. It is advisable and recommended that Proponents submit larger proposals in multiple smaller files.

Upon receipt of proposals, an automated confirmation will be issued by EBID to the sender's e-mail address. It is strongly recommended that proponents follow up with the inquiries person named in Section 2.4 should they not receive said confirmation within 30 minutes of submission.

Please be advised that electronic transmissions may not necessarily be immediate and can experience lengthy delivery delays. Proponents should ensure that sufficient delivery time is allowed, as they assume the risk of delays in transmission and receipt.

Address for Delivery

Proposals, including all supporting documentation, are to be sent electronically to the following e-mail address:

EBID@cmhc-schl.gc.ca

The subject line of the transmission must state: RFP, file # 201702153

Format

Proposals may be submitted in MS Word or Adobe Acrobat PDF.

Rich Text formatted or Compressed (Zipped) documents cannot be opened by CMHC and will not be considered.

Proposal Opening and Verification Period

All EBID proposals received on or before the closing date and time specified in this RFP, will be opened for verification by CMHC. If at that time, CMHC is unable to open a proposal, the proponent will be so advised and provided an opportunity to resubmit a version that can be opened within 2 hours of notification.

2.3.1 Submission Deadline

MANDATORY

Your proposal must be **received** at the exact location as specified above, on or before the submission deadline set as:

2:00 p.m. local Ottawa time, on Thursday July 19, 2018

Proposals arriving late will be automatically rejected, and the sender will be so notified by e-mail.

2.4 Inquiries

All questions regarding this RFP must be sent by e-mail to the following contact person:

Camille Attia
Senior Officer, Procurement
cattia@cmhc-schl.gc.ca

Changes to this RFP document will only be effective if issued by CMHC in writing as described below. Proponents are therefore strongly cautioned to request that all clarification, direction and changes be provided in writing, as information given orally by any person within CMHC shall not be binding upon CMHC.

All written questions submitted, which in the opinion of CMHC raise an issue that has the potential to affect all proponents, will be answered by CMHC in writing and distributed to all proponents by e-mail or GETS. The identity of the proponent making the inquiry will not be included in the response. Any questions of a proprietary nature must be clearly marked as such.

In the event that it becomes necessary to revise any part of the RFP as a result of any inquiry or for any other reason, an addendum to this RFP will be provided to proponents by e-mail or GETS.

CMHC has no obligation to respond to any inquiry, and will determine, at its sole discretion, whether it will respond to inquiries that are submitted. CMHC cannot guarantee a reply to inquiries received less than **seven (7) calendar days** prior to the closing date.

2.5 Communication

During proposal evaluations, CMHC reserves the right to contact or meet with any individual proponent in order to obtain clarification of its submission, including clarification of the scope of services offered. Any such communication is limited to clarification purposes only, and proponents will not be allowed to revise their proposal during this process.

2.6 Proponent Contact

The proponent shall name a person in their proposal to act as a primary contact for CMHC during the evaluation period. A secondary contact should also be provided for backup purposes.

2.7 Offering Period

MANDATORY

It is a deemed condition of every proposal that the terms of the proposal, including all terms relating to pricing, shall remain valid and binding on the proponent until such time as an Agreement is negotiated and executed, not to exceed ninety (90) days following the closing date.

2.8 Changes to Proposals

Changes to a proposal are permitted, provided that they are received as an addendum to, or clarification of, a previously submitted proposal, or as a new proposal that replaces and supersedes the proposal that was previously submitted.

Any addendum, clarification, or new proposal must be submitted as per the delivery instructions outlined in Section 2.3, be clearly marked **"REVISION"**, and be received no later than the submission deadline. Where the new proposal is intended to replace all or part of an earlier proposal, it must be accompanied by a clear statement specifying the sections of the earlier proposal that are replaced by the new proposal.

2.9 Multiple Proposals

Proponents interested in submitting more than one proposal for consideration may do so, provided that each proposal independently complies with the instructions, terms and conditions of this RFP.

2.10 Acceptable Alternative

An alternative to any portion of a proposal may be submitted as an addendum to a proposal.

Where the alternative proposal relates to a mandatory requirement, the alternative must meet that requirement.

2.11 No Liability

While CMHC has made considerable efforts to ensure that the information in this RFP is accurate and complete, it is possible that errors may exist. The information is not guaranteed or warranted to be accurate by CMHC, nor is it necessarily comprehensive or exhaustive. CMHC will have no liability of any kind to proponents for losses or damages arising from any errors that may be found in the RFP, regardless of how the errors are caused. Proponents remain obliged to make their own investigation of relevant information and to form their own opinions and conclusions in respect of the matters addressed in this RFP.

By submitting a proposal, proponents waive any claim or cause of action that they may have against CMHC or its representatives as a result of the conduct of this RFP process or any resulting contract award, except insofar as they have proof of willful misconduct on the part of CMHC or its representatives. Proponents agree that they will not bring a court action or institute any other proceedings against CMHC for damages arising from the conduct of this RFP or any resulting contract awarded. This section is intended to be a complete waiver of the proponent's right to claim damages against CMHC, subject to the limited exception noted above.

2.12 Verification of Proposals

The proponent authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proponent's proposal.

2.13 Ownership of Responses

All proposals and related materials become the property of CMHC upon submission and CMHC shall have all intellectual property rights in those proposals and materials. Proposals and related materials will not be returned to proponents. Proponents are not entitled to any compensation for any work related to, or materials supplied in the preparation of their proposals.

The proponent warrants that they possess all rights necessary to satisfy this requirement. The proponent hereby certifies that it has waived, or has obtained a waiver in favour of CMHC of, all moral rights in the proposal and related materials, and hereby assigns all rights in the material, as provided for in the law of copyright. The proponent agrees to execute any document requested by CMHC acknowledging CMHC's ownership of the material and the waiver of moral rights therein.

All information regarding the terms and conditions, financial and/or technical aspects of the proponent's proposal which are of a proprietary or confidential nature, must be clearly marked "PROPRIETARY" or "CONFIDENTIAL". Proprietary and confidential markings shall be included beside each item or at the top of each page containing information that the proponent wishes to protect from disclosure.

CMHC will take steps to protect proponents' documents and information so marked from disclosure. Notwithstanding the foregoing, CMHC shall have no liability of any kind to proponents based on the inadvertent or unintentional disclosure of proprietary information.

Proponents are further advised that as a Crown corporation, CMHC is subject to the federal legislation with respect to access to information and privacy. In certain specific circumstances, information submitted to CMHC by third parties may be required to be disclosed pursuant to federal legislation. In such cases, to the extent reasonably possible, CMHC will make efforts to advise the proponent of the required disclosure prior to releasing the information.

2.14 Proprietary Information

Information about CMHC that is contained in this RFP document is to be considered proprietary information of CMHC. It is made available for the sole purpose of providing proponents with sufficient information to prepare responses to the RFP. Proponents and other readers of this document may not make any other use of information contained in the RFP.

2.15 Corporation Identification

Proponents agree that they will not make any use whatsoever of CMHC's name, logo or other official marks without the express written consent of CMHC.

2.16 Declaration with respect to Gratuities

By submitting a proposal, the proponent certifies that no representative of the proponent, or any individual or entity associated with the proponent has offered or given a gratuity (e.g. an entertainment or gift) or other benefit to any CMHC employee, Board member or Governor-in-Council appointee with the intention of obtaining favourable treatment from CMHC.

2.17 Conflict of Interest

MANDATORY

The proponent and its employees, officers, agents and contractors shall avoid any real, potential or apparent conflict of interest during the RFP process, and upon becoming aware of a real, potential or apparent conflict of interest, shall immediately declare the conflict of interest to CMHC. The proponent shall then, upon direction of CMHC, take steps to eliminate the conflict of interest, potential conflict of interest or perception that a conflict of interest exists.

The successful proponent must not be an Approved Lender or perform the activities of an Approved Lender.

The successful proponent must not provide any services to any third party in circumstances that might reasonably give rise to a conflict of interest between the proponent's duties to that third party and the proponent's duties to CMHC.

In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of CMHC, determined in the sole discretion of CMHC, CMHC shall have the right to immediately eliminate the proponent from consideration under the RFP or to terminate the resulting agreement. Upon such elimination or termination, CMHC shall have no obligation of any nature or kind to the proponent.

2.18 Declaration with respect to Bid Rigging and Collusion

By submitting its proposal, the proponent certifies that:

- (a) prices as submitted in its proposal have been arrived at independently from those of any other proponent;
- (b) the prices as submitted have not been knowingly disclosed by the proponent, and will not knowingly be disclosed by the proponent prior to award, directly or indirectly, to any other proponent or competitor; and
- (c) no attempt has been made, nor will be made, to induce any other person to submit, or not to submit, a proposal, for the purpose of restricting competition.

2.19 Security Clearance

CMHC requires employees of the selected proponent to be security cleared in order to permit them access to CMHC premises when and if required. This process normally takes approximately five working days, but may take longer, depending on the circumstances.

If they are not security cleared, the proponent or its employees will require an escort by a CMHC employee if required to access CMHC premises and will not be granted access to CMHC information and systems or any confidential information. Where the required security clearance is not granted to an individual, CMHC will have the right to exclude that individual from performing the services outlined in this RFP. The failure of an individual to obtain security

clearance shall not relieve the successful proponent from any of its obligations under this RFP and any resulting agreement.

2.20 Joint Venture Responses

Joint venture proposals should adequately represent and communicate the proposed roles and responsibilities of each party participating in the joint venture, and must provide a detailed description of the proposed joint venture business arrangement and the proponent's organizational structure detailing ownership, its history, legal status, number of full time employees and areas of specialization. The description must, at a minimum, list the companies involved, indicate how long the business arrangement has been (or will be) in existence, outline the goods or service(s) that each respective party would be providing and describe the proposed roles and responsibilities of each party. CMHC may consider the joint venture business arrangement and organizational structure in the evaluation of proposals.

The proponent shall designate one of the entities participating in the joint venture as the contact person for the purpose of this RFP process. All communications between the proponent and CMHC will be directed through the contact person.

Joint venture responses must be accompanied by a signed Certification of Submission from each participating entity. Refer to Section 2.2.

2.21 Non-Disclosure of CMHC Information

Under this section, "CMHC Information" refers to any and all information of a confidential nature, including all personal information, which is managed, accessed, collected, used, disclosed, retained, received, created or disposed of by CMHC in order to complete this RFP process and to fulfill the requirements of any resulting agreement. Without limiting the generality of the foregoing, CMHC Information includes information held in any format and information provided directly, indirectly to the proponent.

The proponent understands and agrees to treat all CMHC Information as proprietary, confidential and sensitive, unless otherwise specifically agreed to in writing by CMHC. The proponent agrees to restrict access to CMHC Information to those persons who have a need to know this information in order to prepare the proponent's response to this RFP, or perform the work or services under any resulting agreement.

The proponent further acknowledges and understands that all CMHC Information is subject to Canadian laws on privacy and access to information under which CMHC is bound and that CMHC considers CMHC information to be under its custody and control at all times.

The proponent shall ensure that CMHC Information remains in Canada and expressly agrees to segregate CMHC Information (whether in electronic format or in hard copy) from any other information by electronic or physical means. Without limiting the generality of the foregoing,

the proponent shall not and shall ensure that any subcontractor, reseller, agent or any other person engaged to perform any part of the work or services does not release, share or otherwise divulge CMHC Information to any other person including subsidiaries, branch offices, partners or subcontractors of the proponent without the prior written consent of CMHC.

Where disclosure of CMHC Information is required pursuant to a lawful requirement or for the purposes of complying with a subpoena or warrant lawfully issued or lawfully made by a court, person or body, the proponent shall notify CMHC promptly after discovering the potential of disclosure of the CMHC Information so that CMHC has the opportunity to seek a protective order or other appropriate remedy.

The proponent also agrees that in the event that disclosure of CMHC Information is required by a valid and applicable law, it shall, in co-operation with CMHC, act in good faith to prevent access to CMHC Information including but not limited to taking appropriate legal action against disclosure, providing information and other assistance in order for CMHC to take appropriate legal action against disclosure, and ensuring that disclosure is strictly limited to the information lawfully requested.

SECTION 3 STATEMENT OF WORK

3.1 Overview of Section

This section of the RFP is intended to provide the proponent with the information necessary to develop a responsive proposal. The Statement of Work is a complete description of the tasks to be done, results to be achieved and/or the goods to be supplied.

Consideration will only be given to responses from proponents that can provide services on a national basis, practice rigorous Quality Assurance and Performance Measurement processes and provide the best price.

CMHC will enter into an Agreement with the Proponent(s) that can provide the best service and price to CMHC. Should more than one proponent be selected, CMHC reserves the right to divide the volume of work between Proponents in any way which best meets CMHC's business requirements, determined in CMHC's sole discretion.

3.2 Mandatory Requirements

A mandatory requirement is a minimum standard that a proposal must meet in order to be considered for further evaluation.

Any mandatory requirements associated with the Statement of Work are clearly identified in Section 4 - Proposal Requirements.

The Mandatory Compliance Checklist is located at Appendix E (7.5).

3.3 Terms of Reference

Corporate and Mortgage Loan Insurance Background

CMHC is a federal Crown corporation, reporting to the Parliament of Canada and governed by the *National Housing Act* ("NHA"), the *Canada Mortgage and Housing Corporation Act* and the *Financial Administration Act*. Pursuant to the *Bank Act*, mortgage loan insurance is mandatory for federally regulated lenders in Canada when the buyer of a home has less than a 20 per-cent down payment. CMHC's mortgage loan insurance allows qualified borrowers to finance the purchase price of a home while insuring the mortgage lender against losses should the borrower default on the mortgage loan. Only lending institutions designated as an Approved Lender (AL) by CMHC under the NHA may qualify for CMHC mortgage loan insurance.

When borrower default occurs, CMHC will work with the Approved Lender in his default management efforts to help minimize the loss and to manage risk. Under the standard mortgage insurance claims servicing process currently used, the Approved Lender administers the loan and manages borrower default situations, having regard to CMHC's mortgage loan insurance policy. Where a loan cannot be saved and where the Approved Lender has sold or

attempted to sell the property and a deficiency remains owing to the Approved Lender, the Approved Lender may be eligible to make a claim under CMHC's mortgage loan insurance. In certain circumstances, CMHC will take possession and control of the property once in a legal position to do so, and then CMHC will market and sell the property.

Current – Standard Insurance Claims Service Process

Under the current standard insurance claims service process, the Approved Lender administers the loan and manages borrower defaults, mortgage enforcement and property realization in accordance with CMHC's insurance policy as outlined in CMHC's Mortgage Loan Insurance Policy ("MLIP"), Accelerated Claim Payment Process and the Handbook for CMHC Approved Lenders including any Advices, Commitment and Special Conditions (collectively, "CMHC's Policy"). Where a loan cannot be brought into good standing resulting in mortgage default, the Approved Lender may be eligible to make a claim to CMHC. There are three types of claims: (1) deficiency claim – the Approved Lender has proceeded with mortgage enforcement and has sold the property to a third party and transfers to CMHC its interest in any deficiency amount remaining in respect of the mortgage loan; (2) title transfer claim – following the Approved Lender mortgage enforcement and unsuccessful attempts to sell the mortgaged property to a third party, CMHC may acquire the property and sell it; (3) assignment of mortgage claim – where CMHC deems appropriate, the Approved Lender assign the mortgage and/or the legal action to CMHC.

Regardless of the type of claim, it is CMHC's expectation that the Approved Lender, where applicable, will obtain a deficiency judgment against all borrowers, covenantors and/or guarantors responsible for the loan (collectively the "Borrower"), and where applicable, file proof of claims if there has been a filing for bankruptcy or consumer proposal/proposal or Companies' Creditors Arrangement Act (CCAA).

New – Enhanced Insurance Claims Service Process

CMHC has piloted the Enhanced Claims Service ("ECS") which is designed to better serve our Approved Lender clients by creating a more efficient and streamlined process for claims payment, real estate management and property disposal. The ECS process expedites the claims payment timeline by encouraging Approved Lenders to submit qualifying CMHC-insured mortgage loans for 1-4 unit residential properties in default to CMHC at an earlier stage than is currently permitted in the standard insurance claims service process. As well, the Approved Lender transfers to CMHC its property management and disposal responsibilities as well as any interest in legal proceedings against the Borrower (including any judgment or proof of claim in relation to any bankruptcy or consumer proposal/proposal or CCAA filings).

ECS involves a more streamlined claim payment process whereby the CMHC designated Claims Service Provider (as defined below) works with the Approved Lender and CMHC from the point at which the Approved Lender submits a file into the ECS process upon mortgage default and commences legal proceedings against the Borrower until CMHC obtains the right to sell the

property. At that point, the Claims Service Provider will work with CMHC with respect to property management, marketing and disposal, as well as the continuation of legal.

During the initial phase, ECS was piloted with a very limited Approved Lender group for testing purposes. From CMHC's perspective, ECS will achieve greater consistency and efficiencies, which will result in overall cost reductions. It is CMHC's intention to expand ECS to other Approved Lenders.

Scope of Work

The purpose of this RFP is to select one or more suppliers as claims service provider(s) to provide or arrange the following services to CMHC under the ECS process ("Claim Service Provider" or "CSP"):

- 1) Legal;
- 2) Securing and Property Management; and
- 3) Marketing and Sales of Property.

The services provided as outlined in this Statement of Work will be provided by the CSP and its employees and agents (if any), in accordance with all applicable laws and in accordance with CMHC's Policy, as may be amended from time to time.

The CSP is responsible for managing requests and taking direction from CMHC and any CMHC designated party for these services. The CSP must ensure that the distribution of the work amongst any of the CSP's agents is completed in an appropriate, efficient and cost-effective manner.

The CSP will be required to provide the services under this RFP on a national basis, since properties under ECS may be dispersed throughout all provinces and territories in Canada. Accordingly, CMHC recognizes that the CSP will need to have contractual arrangements with other entities in order to meet these objectives and the CSP may be requested to provide copies of such contracts to CMHC, upon request. The CSP will be responsible for its employees, agents and subcontractors, including any engaged in order to provide services under this RFP. The CSP itself, as well as any employees, agents or subcontractors of the CSP must be licensed, insured, certified and/or otherwise qualified to provide services in the respective jurisdiction.

The CSP will be required to deal with various types of properties under this Statement of Work including, but not limited to: fee simple, leasehold, tenanted and mobile/manufactured/modular homes. The CSP shall be competent and knowledgeable about the registration requirements for these various property types, including, but not limited to PPSA/personal property security legislation, mobile/manufactured/modular home registries, dual registry systems and the Indian Land Registry.

The CSP may be responsible for preparing and filing ECS claims to CMHC on behalf of the Approved Lender as specified by CMHC. The CSP may also be responsible for filing other insurance claims in relation to the mortgage and/or property on CMHC’s behalf where CMHC has been assigned the benefits of such insurance from the Approved Lender.

The CSP will invoice CMHC directly for all services provided in accordance with this Statement of Work in a manner and form acceptable to CMHC provided that such services are for eligible claims. The CSP will invoice CMHC after a sale of property is completed/closed. CMHC may, in certain circumstances, permit the CSP to invoice CMHC before a sale is completed – i.e. where, due to circumstances beyond the control of the CSP, the property is not able to sell. Further requirements are detailed in section 3.3.6 Final Accounting and Proceeds.

It is the responsibility of the CSP to have servicing system connectivity with all Approved Lenders for the purpose of managing the ECS. Requirements are detailed in section 3.3.11 Technical Requirements.

For reference purposes only to assist in preparation of a response, CMHC’s estimated claim volumes are indicated in the table below:

	Estimated volumes Year 1	Estimated volumes Year 2	Estimated volumes Year 3	Total Volumes
NFLD	35	46	89	170
PEI	17	29	54	100
NS	108	179	328	615
NB	134	220	404	758
QUE	427	716	1,308	2,451
ONT	223	376	626	1,225
MAN	35	59	106	200
SASK	90	152	277	519
ALTA	496	768	680	1,944
BC	121	204	343	668
YKN	2	3	4	9
Northwest	3	3	4	10
Nunavut	3	3	4	10
	1,694	2,758	4,227	8,679

***It is estimated that approximately 1/3 of the accounts will be cured during the legal stage and therefore not proceed through the remaining stages.**

CMHC does not guarantee any of the volumes set out in the table nor does it guarantee a minimum or maximum number of files or the duration of involvement in a file that will be assigned to a CSP. For clarity, CMHC shall have the right to withdraw any file from ECS or the CSP for any reason, determined in its sole discretion. CMHC retains all discretion to allocate files

among CSPs or among the CSP's agents or subcontractors based on performance or for any other reasons, including conflicts of interest, as determined by CMHC in its sole discretion.

3.3.1 Legal Services

Regulatory Requirements

The CSP is expected to provide legal services on a national basis, complying with all applicable legislation, regulations, court procedures, and rules of professional conduct in the respective jurisdiction. Any employees, agents or subcontractors of the CSP must be licensed, insured, in good-standing and competent to provide legal services and advice to CMHC in the respective jurisdiction.

Instructions to Claim Service Provider

Depending on the stage of a file in the ECS, the CSP may be instructed by CMHC or a CMHC-designated party, as determined by CMHC and the Approved Lender. After CMHC pays the Approved Lender's claim and obtains vacant possession/right to sell the property, the CSP will take instructions exclusively from CMHC, though the CSP may still be required to contact and/or share information with the Approved Lender.

Solicitor-Client Relationship

All communication in respect of legal services and advice between the CSP and CMHC or Approved Lender shall be confidential and subject to solicitor-client privilege. Where the CSP has subcontracted to an agent the provision of legal services or advice because the CSP is not licensed and insured to provide legal services and advice, the CSP, CMHC, and Approved Lender together, may enter into a joint retainer with the agent legal service provider to preserve the solicitor-client relationship and privilege.

Conflicts of Interest

The CSP must avoid all conflict of interests. In the event of a conflict of interest, the CSP must notify CMHC and manage the conflict of interest in a manner acceptable to CMHC.

CMHC retains all discretion to direct file allocation among CSPs or among the CSP's agents or subcontractors, where necessary, to avoid or manage conflicts of interest.

Scope of Legal Services

The CSP shall provide legal services in respect of mortgage enforcement and property disposal. The CSP shall follow the applicable legislated mortgage enforcement process and steps in the respective provincial and territorial jurisdiction as generally described in **Schedule "A" – Legal Proceeding by Jurisdiction**, which may be modified in consultation between CMHC and the CSP. Without limiting the generality of the foregoing, the CSP shall provide the following:

1. Due Diligence and Searches

Prior to initiating mortgage enforcement and any legal proceedings, the CSP shall:

- Review the Approved Lender's loan file documentation to confirm status of loan default, validity of mortgage, security or any other security interests and related loan documentation;
- Complete a title search including a search of any liens and other encumbrances registered against the property (including writs of execution or equivalent against the Borrower). The CSP will advise CMHC immediately of any title issues that could result in CMHC not having Good and Marketable Title under CMHC's Policy with the Approved Lender. Depending on the title defect, the CSP may be required to:
 - Seek additional information/clarification from the Approved Lender;
 - Recommend that the title issue(s) precludes proceeding with mortgage enforcement;
 - Seek approval from CMHC to rectify the title issue(s); and/or
 - Recommend such other action(s) as may be appropriate in the circumstances.
- Where the mortgaged property is a mobile/modular/manufactured home or is otherwise a chattel, obtain and review *Personal Property Security Act* (PPSA) searches;
- Complete off-title searches where necessary to determine if the property is clear and marketable, free from registered, unregistered or statutory liens. Off-title searches may include a search on the status of condominium common expenses (where applicable), realty/property taxes and water charges (to avoid tax sales) and judgment searches against the Borrower in judgment registries in jurisdictions where such judgment registration may bind the CMHC-insured property. The CSP shall confirm or otherwise arrange for the payment of any item that can result in unregistered or statutory liens, including but not limited to water arrears, taxes, condominium common expenses.

2. Legal Enforcement Proceedings

The CSP must initiate or continue to pursue all appropriate legal enforcement proceedings to collect the mortgage loan, realize on the security in a timely and cost-efficient manner, obtain a deficiency judgment against the Borrower (where advisable) and file proof of claims if there has been a filing for filing for bankruptcy or consumer proposal/proposal or CCAA.

i. Assessment of Legal Remedies

The choice of legal remedy should be made by the CSP or the AL, depending on the relationship with the AL, on a careful assessment of the facts and circumstances of each situation. Where feasible and appropriate, the CSP is expected to pursue a deficiency judgment against the Borrower in accordance with CMHC's Policy. Where the CSP recommends otherwise, considering the factors below and any other relevant considerations in the circumstances, the CSP will advise CMHC immediately and obtain approval from CMHC and the Approved Lender where applicable. The following criteria should be considered by the CSP:

- Any preferred mortgage enforcement process received from the Approved Lender;
- The likely degree of co-operation from the borrower;
- The current worth of the Borrower's covenant, as provided by the Approved Lender;

- The current estimated property value, taking into account the remaining economic life of the asset;
- Real estate market conditions;
- The costs in interest, property maintenance, and legal fees and disbursements of each option;
- The number and amounts of any encumbrances ranking prior to or after the mortgage;
- Environmental concerns relating to the property;
- Time limitations that may limit the ability to obtain judgment;
- Suspected misrepresentation or fraud at any stage of the loan;
- Whether the property is real property or chattel (e.g. mobile home); and/or
- Whether the Borrower has filed for bankruptcy or consumer proposal/proposal or CCAA.

With approval from CMHC, the CSP may be required to refrain from realizing on the mortgage security/walk away and/or accept a quit claim or voluntary transfer where it may not be advisable to proceed. The CSP must provide a reasoned recommendation to the Approved Lender and CMHC on available options based on an analysis of both financial and non-financial considerations and CMHC's policies when seeking CMHC approval to not realize on the mortgaged security.

ii. Termination of Mortgage Enforcement Proceedings

CMHC or the Approved Lender (subject to CMHC's approval) may instruct the CSP to postpone or discontinue mortgage enforcement proceedings and any associated legal actions if the Borrower has redeemed the mortgage and satisfactory arrangements have been made with the Approved Lender to pay costs and all payments in arrears to remedy the default.

iii. Communications with Mortgagors, Guarantors and their Solicitors

From the commencement of any default management steps by the Approved Lender, the CSP may be in communications with such Borrowers and their solicitors if they attempt to make arrangements to remedy their default or if they contact the CSP for any other reason in relation to the loan under default.

iv. Transfer of Right to Realize on Security/Property or Transfer of Property from Approved Lender to CMHC

The CSP must complete all tasks necessary to effect the transfer of the right to realize the mortgaged property/collateral from the Approved Lender to CMHC. CMHC shall direct the CSP as to the method of transfer from the Approved Lender to CMHC. Without limiting the generality of the foregoing, the CSP shall prepare all title transfer documents including and where applicable an assignment of the mortgage, deed or bill of sale of the mortgaged property/collateral from the Approved Lender to CMHC. The CSP shall also obtain court orders as necessary, and prepare the court filing and registration of documents at land registries.

v. Securing the Right to Sell the Property

The CSP is expected to secure for CMHC the right to sell the property. The CSP must comply with applicable provincial or territorial legislation governing mortgage enforcement of real and personal property, with a goal of preserving the ability to obtain a judgment against the Borrower.

The CSP must avoid taking any action in which the Approved Lender or CMHC might be deemed to be an owner, mortgagee in possession or occupation, or in management or control of the property, in cases where it may be inadvisable to do so (e.g. such as to avoid attracting possible liability to CMHC due to environmentally contaminated properties). In such circumstances, the CSP must assess and provide a written recommendation of the situation to the Approved Lender and CMHC and seek instructions/approval from CMHC before proceeding.

vi. Eviction and/or Existing Tenancy

In some cases, the CSP may be required to obtain vacant possession of the property by eviction of the occupants. Without limiting the generality of the foregoing, the CSP is expected to prepare and serve the applicable notices, attend hearings, obtain eviction orders, and engage the services of a sheriff or other authorized party to enforce orders.

There may be cases where the occupants are permitted to remain in the property in accordance with CMHC's Policy. Accordingly, the CSP is expected to determine the validity and terms of any existing leases, prepare all documents and complete all tasks necessary to enable CMHC to collect rents (whether by attornment or otherwise as landlord) and to obtain the cooperation of the tenant with respect to the property inspection, appraisal, maintenance and showings of the property by real estate agents. Where permitted by legislation, residential leases with existing tenants should be on a short term basis.

vii. Obtaining Deficiency Judgment and Writs of Execution

The CSP must obtain a deficiency judgment against the Borrower for the total, legally recoverable amount. The CSP must ensure that the judgment remains valid and enforceable for the benefit of CMHC. The CSP shall assign judgments granted to the Approved Lender to CMHC. The CSP shall also file writs of execution or equivalent against the Borrower in the applicable registry to bind the Borrower's real or personal property.

The CSP shall provide CMHC a summary and recommendation, and obtain CMHC's approval, where the CSP advises against obtaining a deficiency judgment. The CSP's summary and recommendation must be supported by reliable information (e.g. up-to-date credit reports, credit applications, bank accounts and billing addresses) and establish the financial circumstances of the Borrower and property value. Judgment should be obtained in every instance where misrepresentation, fraud or illegal activity by any Borrower is suspected (e.g. marijuana grow-op, clandestine drug labs or straw buyers) and in all cases where it is suspected that information on the loan insurance application was misrepresented.

The CSP must be alert to reasonable settlement offers at all stages of the legal action prior to judgment being obtained. The CSP must obtain approval from the Approved Lender and CMHC, as appropriate, to settle.

viii. Bankruptcies and Consumer Proposals

The CSP shall notify the Approved Lender and CMHC, as appropriate, and file proof of claims where the Borrower has filed for bankruptcy or consumer proposal/proposal or CCAA.

Upon the reasoned recommendation of the CSP, and with CMHC's approval, the CSP may obtain for CMHC the right to sell the mortgaged property by obtaining a deed of the property from the bankruptcy trustee to the Approved Lender or CMHC.

ix. Specific Instructions Required

The CSP will notify and obtain approval from the Approved Lender and CMHC, as appropriate, for specific instructions on material issues, including:

1. Any known or suspected environmental contamination;
2. Claims/counterclaims against the AL, including Statement of Defence from the borrower;
3. The borrower redeems the mortgage or is able to bring the mortgage into good standing;
4. The borrower wants to sell the property directly;
5. Property insurance coverage issues;
6. Tenanted properties, including an analysis of the current tenancy situation, any concerns with the existing tenant/tenancy, advisability of attorning rent, and options for proceeding (e.g. selling property with tenant, evicting tenant etc.);
7. Allegations of fraud;
8. Sales where a surplus may/will be/has been realized;
9. Any communication(s) received from the media or borrower threats to contact the media.

x. Sale and Conveyance of Property by CMHC to Third Party Purchasers

The CSP is expected to communicate with property managers and real estate brokerages/agents as necessary in anticipation of the property being listed for sale. Upon the sale of the property by CMHC to a third party, the CSP will provide standard real estate closing services, including but not limited to, dealing with the purchaser's solicitor, preparing all necessary documentation, responding to requisitions and other closing requirements. CMHC may provide certain preferred forms of documentation, which may be amended from time to time. Non-standard issues/concerns/matters may be escalated to CMHC for specific instructions on a case-by-case basis.

3. Non-Standard Legal Services beyond the Scope of this Statement of Work

When services determined to be outside the scope of this Statement of Work are required, the CSP and CMHC will agree to a payment arrangement based on an agreed upon hourly rate or a budget to be determined according to the circumstances.

3.3.2 Requesting an Appraisal

The CSP must order an appraisal for each subject property as soon as possible once the property has been fully secured and once it has obtained the right to sell and/or vacant possession. CMHC would normally expect the CSP to obtain only one appraisal, assuming a 120 day market exposure, accompanied by a Comparative Market Analysis (CMA) report at the time of property securing. The following outlines CMHC's expectations in regards to an appraisal:

- The CSP must ensure the appraisal report indicates an "as is where is" value;
- For all properties where the estimated replacement value to be more than \$250,000, replacement value is required within the appraisal;
- Upon completion of the appraisal, the CSP will be responsible for paying the appraisal invoice;
- Where specific jurisdictions require additional appraisals, or in exceptional cases, where the CSP has concerns with the value of a property, and/or the CMA is not an adequate second opinion for the courts and/or the CSP advises it is needed for other identified reasons, an updated appraisal may be necessary and the cost of such an updated appraisal may be recognized by CMHC, in advance and approval sought;
- Notification of Advice to File Claim: Upon completion of property being secured and receipt of appraisal the CSP will:
 - Forward the appraisal and all property managers' reports (e.g. securing report) to CMHC;
 - Advise CMHC as soon as the file is ready to be prepared and assessed for claim payment;
 - Contact the AL and provide a copy of the Appraisal.

3.3.3 Securing and Property Management

1. Securing the Property

Once in a legal position to do so, the CSP will immediately appoint and/or instruct a qualified property manager to complete a security visit for the purpose of completing an initial inspection in order to arrange such items as:

- Changing the locks;
- Reconnecting utility services;
- Other preservation/protection; and
- Identifying any health and safety concerns, environmental concerns or other deficiencies/concerns/issues that may be apparent on this initial visit and CSP will notify CMHC of same.

If the property manager observes any significant issues that would prevent the marketing of the property or place CMHC and/or the AL at risk including but not limited to environmental issues, insurable perils, etc. the property will not be secured and the CSP will report to CMHC and include their recommendations on next steps. CMHC will review and provide instructions on how to proceed.

If vacant and if advisable, the CSP will secure the property and complete a securing report. The property will be cleaned and, if possible, listed immediately in order to accelerate the sale process provided this is advisable and permitted by law.

In cases where the property was previously secured by or on behalf of the AL, the CSP is expected to coordinate with the existing property manager.

It is expected that the CSP's property manager will change the locks and provide details of the general condition of the property, including vandalism, freeze up/ water damage, environmental concerns in a format suitable to the CSP, which will be shared by the CSP with CMHC (e.g. securing report).

Photographs must be taken at the time of securing the property of:

- 1) the exterior of the property;
- 2) the interior of the property;
- 3) contents found whether on the interior or exterior of the property;
- 4) any health and safety concerns, environmental concerns (including oil tank and oil tank identification plate, if applicable) or other deficiencies/concerns/issues identified;
- 5) mobile/modular/manufactured home identification plate showing make, model and serial number (if applicable); and
- 6) any additional photographs which may be deemed relevant by the property manager or CSP or requested by CMHC or the AL.

Photographs before and after "move out" by the mortgagor(s) and / or tenant(s) must also be taken. All photographs must be in colour and labelled so that viewer of the photo can easily identify what area/room of the property is represented by the photograph and identify any particular items of concern/interest.

All photos are to be loaded onto the CSP servicing system. In addition, photographs of contents must indicate where the contents are located. Should the quality of the photographs not be acceptable to CMHC or the AL, the CSP must re-attend at the property and provide replacement photographs at no cost to CMHC. Photographs are intended to demonstrate the condition of the property and contents only and should not focus on "personal" property of the occupant including personal and family photos, pictures, diplomas etc. unless advisable by the property manager or the CSP, having regard to the circumstances.

The CSP is expected to be knowledgeable about and comply with provincial and territorial legislation and industry practice in regards to securing properties, removing personal belongings, evicting tenants etc. when enforcing mortgage security and act in accordance to applicable legislation.

2. Property Management and Repairs

The effective and prudent management of homeowner properties where the mortgage is in default is an important responsibility. If appropriate steps are not taken, the property value may be adversely affected.

The CSP must take all necessary precautions to protect the property from damages where:

- CMHC or the AL has become mortgagee in possession or owner by way of title transfer;
- The property becomes vacant or abandoned while the insured loan is in default or during legal action.

The CSP will retain a qualified property management company who will be responsible to complete the property management activities detailed in this RFP for both unoccupied and occupied properties.

Unoccupied (Vacant or Abandoned) Properties:

If abandonment is confirmed, the CSP must make a security visit to the property. The CSP should take reasonable and prudent action(s) to protect and preserve any vacant or abandoned properties until they have been sold.

The CSP should advise on any necessary measures to ensure that the AL has the required legal authority to take any proposed actions under the mortgage to protect the security. Depending on the jurisdiction where the property is located, the CSP must determine if prior court authority is required before taking action to protect the property.

Protection/ Preservation Measures: General measures are required in the protection and preservation of vacant or abandoned properties such as:

- Securing windows and doors to prevent unauthorized entry;
- Performing a minimum number of security checks (set out below), including inspection of all windows and doors, confirmation of power being turned on, checks of plumbing and heating systems including if applicable the oil tank (interior and/or exterior), oil supply lines, oil furnace, etc. for any indication or evidence of leaks;

Minimum Number of Security Checks	
Once per week	October to April (both months inclusive)
Bi-weekly	May to September (both months inclusive)
more often if appropriate or as requested by CMHC	

- Security Check List will be placed in each property to record security checks and other inspections that are completed. Original Security Check List is to remain in the property. CSP may be requested to forward copies of the Check List to CMHC. (required for QA purposes);
- Boarding up windows in remote areas, or in cases where vandalism has occurred or is likely to occur. In areas where there is a high occurrence of vandalism, it may be advisable to request the cooperation of the local police department so that patrol activity is increased on streets where vacant properties are located;
- Ensure that conditions are safe for persons entering the premises at all times;
- Replacing broken glass to protect the interior against vandalism and the weather, protecting plumbing and operating systems against damage by freezing;
- Replace burnt out or missing light bulbs with 60 watt light bulbs. Replacement bulbs are to be supplied by the CSP;
- Implementing temporary measures to protect interiors against damage from leaking roofs;
- Removing any refuse and ensure property is kept safe, secure, clean and presentable at all times. [Cleaning and other costs are to be approved by CMHC in advance.];
- Perform lawn cutting services to ensure grass does not exceed 10cm in height at any time;
- Remove snow/ice as indicated in the table below:

Parking areas	The driveway is to be cleared to allow access for at least one vehicle.
Walkways	Walkways must be removed of snow to a minimum width of 60 cm. The following walkways are required: <ul style="list-style-type: none"> • From the driveway to the main entrance of the property; • To the electrical meter; • To the oil tank; • To all outbuildings, sheds and garages.
Oil Tanks	Fill pipes and lines must be clear of snow.

- Organize meetings/arrangements with representatives of utility companies or contractors at properties to facilitate meter readings and/or other services required;
- Maintaining heat during the winter season or at other times if there is a risk of damage from frost or moisture;

- Winterizing/de-winterizing of plumbing as required. Winterize the water system by proceeding as follows:
 - Drain the plumbing system (water supply and drainage pipes). Blow out the pipes, if necessary;
 - Drain all the plumbing appliances;
 - Supply and add antifreeze (and not liquid windshield washer fluid) to the plumbing in the toilet bowls and drainage traps to allow eventual reuse of this equipment;
 - Top up antifreeze as required;
 - Affix a label to all plumbing appliances and electrical panels to the effect that the winterization has been performed.
- Coordinating repairs authorized by CMHC, including obtaining estimates. Perform final inspection upon completion of work/repairs and confirm compliance with CMHC approved scope of work. Provide a minimum of two pictures of the completed work;
- Advise CMHC on any other matter or action that the property manager or CSP having regard to the circumstances;
- The CSP shall take all necessary steps to turn on the water system to facilitate a water test or home inspection. The CSP shall ensure the water system will not be left vulnerable to potential freezing or damage during and after the water sampling. This may include re-winterization if necessary;
- The CSP should consult with CMHC to clarify which costs related to inspection and securing of the property can be included in the amount of the judgment sought against the borrower.

NOTE: Notwithstanding the above, it is expected that the property manager and CSP will comply with all laws, including municipal by-laws related to property management. Where a by-law(s) may have more stringent requirements than those listed above (e.g. grass cutting and snow removal requirements), the by-law prevails and must be followed.

Tenant-Occupied Properties:

Each tenant-occupied property is unique and will require its own analysis, however, the CSP will generally be responsible for the following:

- Advise of any tenancies and of options with tenant-occupied properties (e.g. assessment of validity of existing leases, if leases agreements should be prepared and/or rent should be attained, or if vacant possession should be obtained, or other action pursued);
- Determine if there is a lease agreement in place; obtain and provide tenant information as well as a copy of any lease and/or the terms of the lease. If rent is under market value, the CSP will report to CMHC of the legal action required and the costs;
- Manage access to the property in accordance with the applicable tenancy legislation;
- Prepare standard leases and/or collect rent or obtain vacant possession, all in accordance with applicable provincial landlord and tenant legislation, as instructed. This includes initiating and pursuing all reasonable legal actions and proceedings as necessary to

recover any arrears of rent or security deposits or to evict any tenant and recover possession of the property. Costly and time-consuming process are not required, but can be entertained by CMHC on a case by case basis on the CSP's recommendation to CMHC;

- Provide and respond to afterhours emergency and maintenance items;
- Act as primary contact with the tenant;
- Resolve all disputes with the tenant prior to the property being transferred/assigned to CMHC through practical and reasonable steps, and advising CMHC throughout;
- Secure the property and clean and remove debris to ensure property is in marketable condition, should the property become vacant;
- Provide vacancy report at the end of the first working day of the month by address and type of unit and provide rental arrears report on the last day of the previous month showing:
 - a) Tenant's name and address;
 - b) Number of months in arrears.

NOTE: CSP to ensure any action taken meets the requirements in applicable tenancy legislation.

To remediate and sell the property, according to the following guidelines:

- **Property Repairs for Sale of Property:** The CSP must exercise reasonable care and prudence in protecting the loan security both during and after legal mortgage enforcement proceedings. The CSP will coordinate repairs, including obtaining cost estimates and perform final inspection upon completion of work/repairs to confirm work was completed according to the specification. Any repair estimates exceeding \$3,000 will require pre-approval from CMHC;
- Prior to placing the property on the market, the CSP should determine what repairs are needed;
- Property repairs include the following:
 - basic preparation of the property for "as is, where is" marketing and sale; and
 - health and safety issues that pose an immediate threat or risk to safety.
- Costs associated with packing and storing personal belongings are in addition to the property repair costs. No pre-approval for packing and storing personal belongings is required;
- CMHC expects the CSP to implement protective measure to avoid receiving quotes from different suppliers that are owned by the same individual or entity;
- The CSP will retain on file "before" and "after" photographs relating to all completed repairs;
- In event, that damage to a property from an insured peril occurs after possession, but prior to claim settlement, CMHC is to be advised immediately.
- **Emergency Repairs:** Emergency repairs are unforeseen and unscheduled repairs which are required to:
 - Ensure property is safe for persons entering the property;
 - Protect property from fire;

- Repair damage caused by catastrophic events.

The CSP does not need prior CMHC approval for such repairs or expenses. However, it must obtain pre-approval from CMHC if the expenses exceed \$10,000 per file, for a house or condominium unit directly affected by the emergency.

Pre-approval requests must include:

- Details of the damage requiring emergency repairs or expenses resulting from a catastrophic event;
- Details of the temporary work completed, the cost to date, and the estimated cost to complete the work;
- A recommendation, including the cost benefit, for the scheduling of any remaining repairs.
- The CSP is expected to attend to emergency repairs and expenses in a cost effective manner;
- The CSP will retain on file "before" and "after" photographs relating to all completed repairs.
- **Utility Payments:** The CSP must notify the utility companies (water, gas, hydro, etc.) that it has taken over the property and will be making the utility payments as of the date of possession. The CSP will also be responsible to pay property tax invoices associated with the properties.
- **Realty/Property Taxes and Condominium Common Expenses:** The CSP must determine the status of realty taxes and arrange to pay realty tax invoices associated with the properties and pay realty tax arrears (if any). In addition, the CSP must determine the status of condominium common expenses and arrange to pay condominium common expense arrears (if any).
- **Damage to the Property Post Claim Payment:** In the event a property is damaged as a result of a property manager's negligence, the CSP is expected to recover and complete necessary repairs to bring the property to the stage prior to the damage, at CSP's expense and to do so in a timely manner.

In the event a property is damaged, not as a result of a property manager's negligence, CMHC expects the CSP to provide a recommendation on how to proceed.

3.3.4 Marketing and Sales

1. Selection of Real Estate Agent and Marketing:

In selecting a marketing agent, the CSP will ensure that listings are provided to licensed real estate agents only.

- The real estate agent must agree to list the property on the Multiple Listing Service (MLS) system, where available;
- If no real estate agent is available in a particular market area, the CSP will proceed according to the market norm for that area, always in accordance with reasonable due diligence and while exercising professionalism;
- All properties are to be listed on the MLS by a licensed real estate agent within one business day of the CSP receiving the signed listing documents from CMHC;
- The listing real estate agent must be willing to provide a Comparative Market Analysis (CMA), and agrees to provide a marketing activity report to the CSP every 30 days;
- A CMA must contain the following market information at a minimum:
 - a description of the property;
 - a comparative analysis of current and recently expired listings of comparable properties;
 - a recent sales data of comparable properties;
 - the average days listed to sales;
 - trends to indicate a buyer's, a seller's or a balanced market; and
 - a recommendation for the listing and selling prices based on an analysis.
- The Marketing Activity Report (MAR) must contain traffic reports as well as feedback from other realtors and/or prospective purchasers. The realtor will provide data to support any recommended amendments to the listing and/or selling prices. The report must also contain the following:
 - information concerning advertising efforts to date;
 - proposed advertising;
 - open houses;
 - a listing of any repairs required to improve marketability; and
 - any other marketing efforts since the last report.
- The CSP must always provide CMHC with the actual commission paid at the time of submitting sales proceeds to CMHC;
- CMHC will acknowledge realty costs for any "sale by borrower" based on what was submitted and in line with market norms.

2. Establishing the List Sale Price:

The selling pricing is to be maximized.

- After analyzing all pertinent information, the CSP will establish a list price, within guidelines provided by CMHC and document the list price on the file;
- The list price must reflect market trends as identified in both the CMA and the appraisal. The CSP will resolve any discrepancies found in the information reviewed. The CSP should consult with the appraiser and/or real estate agent to resolve differences in value of 10% or greater between the appraisal and the real estate agent CMA. The results of these efforts should be documented in the file;
- To set the list price, the CSP will review the entire appraisal, CMA and the inspections reports taking into consideration any factors that may affect marketing;

- In certain jurisdictions, the appraisal requirements for the sale process may be established through the conduct and requirements of a court ordered sale;
- If there is any uncertainty in setting a fair initial listing price, the CSP should contact CMHC with a recommendation and seek approval.

3. Establishing Minimum Acceptable Sale Price:

- In all cases, the list price must be sufficiently higher than the minimum acceptable sale price to allow a margin for negotiation purposes;
- The minimum acceptable sale price shall not be disclosed to the real estate agent;
- CSP can accept a purchase offer at or above the minimum acceptable price.

4. Listing Agreement:

The CSP will complete all aspects of any Listing Agreement(s) for execution by CMHC. All listings are to be submitted to CMHC within five (5) business days of acquiring title to the property. The Listing Agreement between CMHC and the real estate brokerages must be subject to the following terms:

- While the expectation is to maximize sale price, real estate agents are expected to sell the property "As is, where is";
- Proper disclosure of any issues has to be made while marketing the property;
- Listing should not indicate that property is a distressed sale or a sale under bank foreclosure and neither the CSP nor the real estate agent should disclose this fact;
- The real estate commission is payable only on the successful completion of the sale transaction to a third party.

NOTE: The CSP will act as the sole liaison between CMHC and all selling real estate brokerages and real estate agents for all properties assigned.

Listing Period:

- **Initial Listing Period:** The CSP must list the property for an initial 120 day listing period within 30 days of CMHC being in a legal position to list the property for sale;
- **Ongoing Review of the Pricing of the Property:** The pricing of the property will be reviewed by the CSP on a regular basis but at a minimum, every 45 days after the initial listing date. By referring to the MAR from the Real Estate Agent, the CSP can make appropriate adjustments to the list price and possibly the minimum sales price within pricing parameters provided by CMHC. CMHC encourages the CSP to revisit the listing price frequently during the list period. The CSP must keep appropriate documentation to demonstrate evidence of these reviews;
- **After Initial Listing Period:** Where the property has not sold within 120 days, the CSP is required to provide CMHC with a recommendation of the most cost-effective property disposal method. Additional appraisals, as warranted are acceptable. Any such recommendation may include, where relevant, consideration to establish a settlement

amount with the debtor that takes into consideration a realistic repayment and not the actual deficiency on a property that potentially will be disposed through an alternative method;

- **Listing Renewal:** The CSP will provide the completed listing renewal documents to CMHC representative(s) five (5) business days prior to the expiration of the listing agreement and include any recommended price changes.

5. Exceptions to Listing:

Through sources including, but not limited to, the appraisal and the CMA, the CSP may determine that conditions exist which may warrant an exception to listing the property for sale, if for example:

- A significant incidence of default in a community or condominium project;
- Environmental problems or hazards exist;
 - Where there is a potential for an exception to the listing, except for condominiums, the CSP will contact CMHC to review the situation and provide a decision;
 - Where the property is a condominium, the CSP will obtain the current number of units for sale in the condominium project from both the appraiser(s) and Realtor®. Where the number of units for sale within the particular project may have an impact on the market value or average listing period required to sell each unit, the CSP will contact CMHC in a timely manner to discuss a potential exception to the listing of the property. CMHC will review the situation and provide a decision.

6. Receiving Offers and Making Counter-Offers/Agreement of Purchase and Sale:

The CSP will review offers, negotiate, prepare counter-offers and submit all offers to the designated CMHC representative immediately. In submitting offers for execution by CMHC, the CSP will confirm that the offer is legally acceptable and meets parameters provided by CMHC. CMHC may delegate to selected persons the execution of documents, on behalf of CMHC, relating to the sale of properties by CMHC to a third party.

The CSP will use caution with respect to offers received during the first 10 days of the listing to ensure that the property has been properly exposed to the market.

The CSP will prepare amendments to Agreements of Purchase and Sales including those in which the buyer is requesting reduction in the agreed upon price due to unsatisfactory inspection results etc. The CSP must take into account and provide analysis of both financial and non-financial considerations when making a recommendation to CMHC for approval.

NOTE: CMHC schedule(s)/addendum(s)/specific terms and conditions must accompany all offers. (Format and/or parameters to be provided by CMHC). CMHC may also require that the form of offer, closing or other documents provided by CSP be amended.

The Purchase and Sale Agreement is subject to the following terms:

- o The property is sold in “as is, where is” condition;
- o All title defects are disclosed, including any CMHC approved defects or encroachments described on the policy of mortgage loan insurance;
- o the real estate sales commission is payable only upon the successful completion of the sale transaction.

7. Accepting Offers/Closings:

Upon acceptance by CMHC of an offer to purchase, the CSP will take any appropriate and necessary actions to complete the offer, including but not limited to:

- a) Providing written confirmation to CMHC of the waiver of buyer’s condition(s);
- b) Monitoring all the conditions included in the offer to purchase and advise CMHC when the conditions are met on or before the condition expiry date, as noted in the offer to purchase;
- c) Acting as the sole liaison between CMHC and purchaser’s solicitor to complete all requirements for a successful closing, including responding to questions/requisitions, etc.;
- d) Completing statement of adjustments for the closing;
- e) Obtaining appropriate direction regarding title being consistent with the Agreement of Purchase and Sale (any differences must be communicated to and approved by CMHC) and providing it to CMHC to prepare the transfer document. Providing any further documentation or action to support the sale transaction and to ensure prompt closing;
- f) Arranging for water tests and/or for topping off the oil tank prior to sale closing;
- g) Shocking wells for water tests when requested;
- h) Completing closing and notifying CMHC of any issues as they arise, including, but not limited to: exchanging keys with the purchaser/purchaser’s solicitor, receiving closing funds and notifying CMHC once the sale has concluded.

8. Title Defects Affecting Sale of Property:

Where there are title defects, CMHC may agree to allow the CSP to sell the property at a reduced price which takes into account the particular title defect. In such circumstances, the CSP must take into account and provide analysis to CMHC of financial and non-financial considerations when making a recommendation to CMHC to sell at a reduced price. The CSP must ensure that CMHC’s interests are protected in any such circumstances and ensure that CMHC will not be accepting or taking responsibility for the defects. Further, the CSP must pursue title defect resolution through the applicable title insurer, unless otherwise advised by CMHC.

9. Unsold Properties:

In a limited number of cases there will be properties that will be very difficult to sell. These “unsold” properties pose a challenge to CMHC, and the ECS, because they usually take longer or require more unconventional methods to dispose.

The following will outline the process and provide guidelines on coordinating and handling unsold properties.

STEP 1: Property Management and Notification

- The CSP is to continually monitor the marketability of properties and make best efforts to sell them at fair market value.
- The unsold property stage is defined when a property has reached 9 months of being listed but not sold.

STEP 2: Recommendation

- The CSP is to notify CMHC (by sending an email to: loanservicedocuments@cmhc-schl.gc.ca) when a property has reached the unsold property stage, the notification is to include:
 - Any details on the property that the CSP feels are important;
 - Number of showings/viewings and offers received on the property;
 - In addition, the CSP is required to provide CMHC with a recommended course of action, taking into consideration financial and non-financial implications, including:
 - Financial considerations:
 - costs of various options;
 - liability, health, and safety issues;
 - disposition of the mortgage security;
 - covenants and guarantees.
 - Non-financial considerations:
 - ongoing responsibility for the property;
 - reputational risk.
 -

STEP 3: After Receipt of Recommendation

- Upon receipt of the recommendation, CMHC will review each file and advise the CSP of their preferred course of action.

STEP 4: Invoice

- Refer to 3.3.6 Final Accounting and Proceeds.

3.3.5 Final File Review PVII/Title Insurance Issues found

Certain portfolio loans are insured with property valuation indemnity insurance (PVII).

After property sale and once the CSP has deducted all of their costs, if the loan results in a loss to CMHC and the loan is insured with PVII, then the CSP will be required to submit a claim to the PVII insurer on behalf of CMHC or the AL in accordance with the terms of such policy.

In addition to filing the claim, the CSP will also be responsible for:

- The CSP will be required to gather the required information from the AL or CMHC, as needed, in order to file a completed claim with the insurer;
- The CSP will be required to contact CMHC in situations where CMHC is “made whole” to seek guidance on how to proceed;
- The CSP will be required to review settlement offers from the insurer and provide a recommendation to CMHC. CMHC will need to verify and accept the offer.
 - o If CMHC does not accept the insurer’s proposed offer additional steps will be involved, this may include obtaining an additional retro appraisal or further recommendations from the CSP.
- Once the insurer has paid the claim to CMHC, the CSP will then notify CMHC and the AL (by email) to confirm that the insurance claim has been paid.
 - o CSP will then mail the cheque to CMHC.
- All records between the insurer the AL, CSP, and CMHC will need to retained by the CSP’s electronic system, with full access provided to CMHC;
- In cases where CMHC assigns judgment to the insurer, the CSP will receive completed judgement documents from CMHC and the CSP will then forward these documents to the insurer.

3.3.6 Final Accounting and Proceeds

The CSP will invoice CMHC once the property sale has closed. The CSP will take the appropriate measures to ensure that the invoice is error-free and completed in accordance to standard finance and accounting practices prior to submitting to CMHC. If the CSP subcontracts portions of this scope of work, the CSP is responsible to reimburse the subcontractors and add these expenses to the final bill submitted to CMHC.

CMHC may require the CSP to submit invoices using a standard template to facilitate efficient processing and approvals of invoices submitted by the CSP.

There are 3 main sections to the accounting and financial transaction process:

1. Billing and Accounting Requirements;
2. Cash Management;
3. Remittance of Sales Procedure.

1. Billing and Accounting Requirements

The CSP will provide CMHC with a detailed breakdown of all costs related to claim payment and the property selling process for reporting and analytical purposes. Careful accounting of all costs, with their separated applicable taxes, is critical for CMHC to meet regulatory requirements.

All expenses are to be accounted for separately based on the pre-determined categories provided by CMHC.

2. Cash Management

For the purposes of CMHC cash management, the CSP will notify CMHC weekly, by email, or such other means as may be acceptable to CMHC, of all upcoming deposits, including the first post-sale deposit and the second, holdback release deposit, for each office/agent by no later than 2:00 p.m. each Friday afternoon Eastern Time (ET) for the next weeks deposit activities.

This notification is to include the total amount being deposited, the account to be deposited to (i.e. Account Number, Transit Number, Institution Number etc.) and the entity making the deposit along with the expected date of deposit and the applicable CMHC loan numbers.

3. Remittance of Sales Procedure

a. Bank Deposit details

Upon receipt of the closing funds, the CSP will deposit the proceeds into CMHC's account which is designated for deposit only with electronic payment. CMHC will not accept cheques in this account.

b. Remittance File data fields and requirements

The CSP is required to provide a remittance file to CMHC, for the direct deposit no later than 1:00pm Eastern Time (ET) within 3 business days following the sale closing date. The file must be a Microsoft Excel worksheet in an .xlsx format and the total of the transactions included in the worksheet must correspond to the payment made to CMHC's bank account and the file should contain only one worksheet.

The worksheet will be in a specific format provided by CMHC.

c. Holdback Funds

The CSP will be permitted to holdback \$6,000 of funds from the original sales proceeds, these funds are to be used to cover any outstanding expenses as they come in (utility bills, property management fees, etc.). The net of the holdback funds is to be remitted to CMHC within 60 days of the property closing date.

d. Unsold Properties Invoicing

After 9 months of a property being listed but not sold the CSP is eligible to invoice CMHC for the outstanding expenses that have accrued on the file.

3.3.7 Insurance Requirements

All proposals must include a signed letter of intent by the Proponent's insurance broker recognizing that all services will be insured by the Proponent.

CMHC reserves the right, in CMHC's sole discretion, to conduct Insurance Requirement negotiations with one or more Proponents after the RFP submission due date but prior to the formal commencement date of the agreement executed between CMHC and the Proponent resulting from the RFP (the "Agreement"), and CMHC may conduct such negotiations consecutively or simultaneously. The Proponent shall, at its own expense, procure and maintain or cause to be procured and maintained in force for the duration of the Agreement, the insurance coverages outlined below.

The policy limits set forth may be provided in any combination of primary and umbrella/follow-form excess insurance policies.

- a) Commercial General Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$150 million inclusive for personal injury, bodily injury (including death) and property damage for any one occurrence or series of occurrences arising from one cause. The policy shall provide coverage for, but not be limited to:
- all premises and operations of the Contractor as required under the Agreement;
 - liability for products and completed operations;
 - broad form coverage;
 - contractor's protective liability;
 - non- owned automobile;
 - employer's liability;
 - blanket contractual liability;
 - all liability specifically assumed under the Agreement.

Canada Mortgage and Housing Corporation shall be added to the policy as an additional insured and the policy shall contain cross liability, and severability of interest clauses.

- b) Fidelity Bond/Employee Dishonesty insurance with an insurer licensed to do business in Canada with limits of not less than \$75 million, extending coverage to all owned and non-owned property for which the Contractor is legally liable and electronic or computer fraud whether intentional or as a result of a social engineering attack including a third party endorsement in favour of Canada Mortgage and Housing Corporation. The policy shall add Canada Mortgage and Housing Corporation as loss payee. Coverage is to include the Proponent's employees and employees of any subcontractor the Proponent uses to provide services (if applicable) as named insureds.
- c) Errors and Omissions Liability insurance, with an insurer licensed to do business in Canada with a limit of not less than \$100 million per claim, providing coverage for, but not limited to, economic loss arising out of any performance of the Contractors obligations under the Agreement or related to actual or alleged breach of duty, neglect, error, misstatement, misleading statement or omission, any breach of network security, any privacy breach or transmission of malicious code. Coverage is to include the Proponent's employees and employees of any subcontractor the Proponent uses to provide services (if applicable) as named insureds. The Proponent shall ensure that the policy is renewed continuously for a minimum period of five (5) years following the expiration or early termination of the Agreement.
- d) Automobile insurance with an insurer licensed to do business in Canada with limits of not less than \$2,000,000 combined single limit per accident for bodily injury (including death), statutory accident benefits and property damage per occurrence.
- e) Worker's compensation coverage for all employees engaged in the Services in accordance with the statutory requirement of the province, territory or state in which the Services are being performed.

Other conditions

If there are any changes in the services provided under the Agreement the Proponent must notify its insurer of the change in the services and must ensure that the insurance remains in full force and effect. In light of such change CMHC reserves the right to change the minimum insurance coverages set out above.

All insurance policies required to be maintained by the Proponent pursuant to this Section 3.3.6 shall be primary with respect to the Agreement and any valid and collectible insurance of CMHC shall be in excess of Proponent's insurance and shall not contribute to it.

The Proponent shall forward to CMHC, within seven (7) business days of signing the Agreement and for each renewal thereafter, a Certificate of Insurance evidencing the insurances required as per this Section 3.3.7.

All Certificates of Insurance shall mention that insurers will provide CMHC with at least thirty (30) days’ written notice prior to cancellation of any insurance referred to under this Section 3.3.6. In addition, the Proponent shall provide written notice to CMHC forthwith upon learning that an insurer described in this Section 3.3.7 intends to cancel, or intends to make or has made a material change to, any insurance referred to in this Section 3.3.7.

Without in any way restricting CMHC’s discretion to grant or withhold its consent to a CSP’s request to subcontract, the Proponent agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with the Agreement to maintain insurance.

It shall be the sole responsibility of the Proponent to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under the Agreement. All insurance policies shall be provided and maintained by the Proponent at its own expense.

3.3.8 Performance Measurements Reporting Requirements (Turn Around Time Requirements)

The CSP is required to report to CMHC monthly on the following performance measurements for each province:

Administrative
Number of new files assigned
Number of new files assigned in current reporting period
Number of saved files
Number of closed files
Number of active files (broken down by Legal, Under Administration, Pending Sale etc.)
Number of claims filed
Legal Services
Days in legal (TAT)
Total legal costs
Number of contested files
Property Management Services
Total property management costs
Costs incurred at closing
Total repair costs <ul style="list-style-type: none"> i. Amount of repairs completed ii. Emergency repairs exceeding \$10k
Marketing and Sales Services
Number of days from end of legal to start of listing (TAT)
Sales price as a percentage of List Price
Sales price as a percentage of Appraised value

Days from listing to closing (TAT)
Other
Days to deposit of funds to CMHC from the closing date (TAT)
Days to second deposit of funds to CMHC from the closing date (TAT)

The CSP must have a process to track and report on their performance in regards to meeting performance measurements described in the above table or as requested by CMHC.

The CSP will prepare and provide to CMHC on the 12th day of each month or the next business day, if the 12th day of the month is not a business day, a Performance report indicating the number of files being administered and the performance of their portfolio for the performance measurements noted in the chart above. The report will detail the achieved performance for each activity, calculate the average turn-around time for the entire portfolio, highlight any areas where turn-around times are not being achieved and what corrective actions are being taken.

3.3.9 ASSURANCE REPORTING REQUIREMENTS

The CSP must have a process, product or service to ensure the quality, accuracy, and reliability of the services completed by their subcontractors. The CSP quality assurance plan will include measures for legal, appraisals, property management and real estate services, where these services are being complete by subcontractors.

The CSP will provide Quality Assurance reports on the second Tuesday of each quarter to CMHC which indicate the results of the quality assurance validation checks completed for each property/file as well as a summary of the results and a detailed account of any deficiencies as well as a description of the corrective actions being taken.

The CSP will also need to cooperate with CMHC’s quality assurance practices in the review and validation of the proponent’s product or service quality.

3.3.10 DISPUTE RESOLUTION

The Proponent must deal with any all disputes which arise during the life of this Agreement in accordance with dispute resolution mechanism set out in the Agreement.

(a) General

Any issue concerning this Agreement and/or Statement of Work, will initially be addressed by each Party’s representatives as contemplated in the Statement of Work under which the disagreement has arisen. If the Parties are not successful in resolving an issue pursuant to such process, or if the issue is material and either Party believes the Parties will not be successful resolving such issue or dispute pursuant to such process, then either Party may issue a formal

written notice (a “Dispute Notice”) that a dispute (“Dispute”) has arisen and subparagraph (b) below will apply.

(b) Escalation of Disputes

Except for Disputes involving CMHC Information or the infringement or misappropriation of intellectual property rights (in which case either Party will be free to seek available remedies in any forum), if the Dispute is unresolved by each Party’s representatives (identified in the applicable Statement of Work) within ten (10) days after the issuance of the Dispute Notice (or such other period of time agree to in writing by the Parties) then either Party may institute formal legal proceedings.

3.3.11 TECHNICAL REQUIREMENTS

The Selected Proponent(s) will be responsible to provide at their own expense the interface between their own in-house systems and CMHC’s system and to ensure their compatibility.

NOTE: CMHC is currently undergoing a major Technology Transformation. The Target State Architecture definition is driven by guiding principles established by Enterprise Architecture. Enterprise Architecture recommends that proponents provide their own software/systems which can be integrated with CMHC’s systems through Enterprise Integration Services. Ideally, the proponents will offer a technology platform/solution (such as a web portal or webservices/api’s) which can be leveraged by CMHC. Enterprise Architecture prefers a platform-based approach and prioritizes cloud-based platforms to simplify CMHC’s technological landscape. Solutions enabling the Target Architecture should integrate to provide a seamless user experience to enable business capabilities.

CMHC will establish electronic communication linkage with the Selected Proponent(s) to order and obtain Services through automated processes. Formal technical specifications will be provided to the Selected Proponent(s). To establish such electronic connections, the Selected Proponent(s) must be able to fulfill the following requirements:

3.3.11.1.1 Connectivity

The Selected Proponent(s) will connect to CMHC by one or more of the following:

- I. Secure Web Services over the Internet;
- II. Secure File Transfer using Managed File Transfer (SFTP Services);
- III. Proponent’s SaaS offering;
- IV. Proponent’s Web Portal;
- V. Accessing CMHC’s Web Portal.

The Selected Proponent(s) will:

- a. Ensure compliant secure connectivity between the selected Proponent's systems to CMHC's systems;
- b. Provide appropriate level of security (Secret) at the physical facility with access control restrictions for the access to CMHC data. The CMHC confidential and proprietary information, data and services shall be used exclusively for the benefit of CMHC;
- c. Ensure that all components (hardware and software) used in CMHC-Proponent connectivity are at a vendor-supported level;
- d. Ensure governance structure in place to actively manage users of CMHC systems if applicable; including identifying single point of contact for any user access related questions and management.

3.3.11.1.2 IT Security

The Selected Proponent will have in place appropriate Secret Level security systems and procedures to protect the confidentiality, integrity and availability (CIA) of any data of CMHC and its sub-licensees residing on hardware within the Selected Proponent's possession or control. This should include at least the following:

- I.* Employ Firewall technology to filter the required protocols and log all access attempts;
- II.* Use a form of secure authentication (i.e. Token technology or user ID and password);
- III.* Develop and implement a Security Policy that includes:
 - a. Regular auditing of all processes and reviews of Firewall rule sets;
 - b. Prohibited storage, use and access to any information for any purpose other than for the original intent of the transfer.

3.3.11.1.3 CMHC Security Standards

The Selected Proponent will comply with CMHC Security standards for:

- I.* Remote e-proofing;
- II.* Email file transfer up to 35 MB;
- III.* File transfer using SMFT;
- IV.* Accessing CMHC network and Operating System;
- V.* Accessing CMHC Web Portal;

3.3.11.2 Technology Security Evaluation

3.3.11.2.1 Security Assessment

When applicable and at CMHC's sole discretion, CMHC shall have the right to conduct an assessment of the contractor's security controls and frameworks (the "**Security Measures**"), which assessments may be carried out by CMHC itself or by a third party on behalf of CMHC. Should a lead proponent be identified, CMHC may request the following information, within an agreed upon timeframe, to permit an analysis of the contractor's Security Measures:

- a. Provide proof, to the satisfaction of CMHC of the contractor's implementation of one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent guideline for a **Secure Network**;
- b. Provide proof, to the satisfaction of CMHC that an enhanced Threat and Risk Assessment has been conducted on the contractor's technology/infrastructure;
- c. Provide proof, to the satisfaction of CMHC that an internal and external Network Vulnerability Assessment has been conducted on the contractor's technology/infrastructure;
- d. Provide CMHC with a "Security Controls Checklist" as detailed within one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent;
- e. CMHC requires certain safeguards to be implemented by the Proponent for purposes of connectivity with Lenders and CMHC. CMHC reserves the right to deny connectivity based on the lack of safeguards from the following list:

3.3.11.2.2 Information Accountability

- a. The Service Provider is the primary CMHC client organization to this agreement and is fully accountable for the proper safeguarding and handling of all CMHC information provided to it regardless of any 3rd party contracts that the Provider may enter, or 3rd party data transmissions made on behalf of the Provider;
- b. Any contracted 3rd party with access to CMHC databases, servers or network equipment shall sign a Non-Disclosure agreement provided by CMHC;
- c. Any personal information provided to CMHC either directly from the Provider or by a 3rd party on the Provider's behalf is considered as collected by the Provider for purposes of the Privacy Act, and all required notifications and assessments shall include CMHC as a receiver of the personal data fields;
- d. All security safeguards identified here shall apply to Provider's and 3rd parties' normal operations as well as backup and recovery operations;
- e. 3rd Parties and Providers shall inform CMHC immediately should any client organizations' systems that are co-located with CMHC information be suspected of having criminal or terrorist affiliations;

- f. CMHC reserves the right to terminate this agreement and any connectivity with Providers or 3rd parties should it become aware of a breach of any of these security conditions.

3.3.11.2.3 Information (applies to CMHC, Service Provider and 3rd Party)

- a. All information types that will traverse the connectivity within this agreement shall be identified prior to connectivity being established;
- b. Any information that is Business Sensitive or proprietary shall be identified to the other parties along with the information owner prior to connectivity being established;
- c. All information housed, processed, transmitted or received by either party shall be protected according to an established security program, and according to its identified sensitivity level;
- d. No information shall be transmitted through connected systems that is above Protected (Impact Level: Medium) or the Government of Canada equivalent, Protected B;
- e. Any information that is identified as “Personal Information” under the Privacy Act (PA) or Personal Information Protection and Electronic Documents Act (PIPEDA) shall be collected, handled, stored, transmitted and disposed of in accordance with the Privacy Act;
- f. Requests for access to or changes to Personal Information shall not be actioned by the 3rd party without prior approval of the originating organization. Approval will be sought immediately upon receipt of such a request and not unduly delayed;
- g. Information provided to the Provider by CMHC or to a 3rd party on the Provider’s behalf shall not be used for any purpose other than that for which CMHC has provided prior approval.

3.3.11.2.4 Data Sovereignty

- a. Information Sovereignty shall be acknowledged by all parties and handled accordingly upon prior notification of such sovereignty.
 - i. CMHC provided information shall be stored and processed wholly within Canada’s Borders. If CMHC information crosses Canada’s border, CMHC shall be immediately notified;
 - ii. All parties shall notify the others of any foreign or domestic regulatory requirements imposed on their organization that could conceivably result in exposure of information to a 4th party;
 - iii. 3rd Party companies shall agree to the following:

1. Provide CMHC with information relating to corporate ownership and control;
2. Immediately inform CMHC of any changes to control of the operation, or corporate governance;
3. Immediately inform CMHC of any information access requests by a foreign legal body that captures any CMHC-provided information.

3.3.11.2.5 Security Program

- a. All signatory organizations to this agreement shall develop and maintain an effective security program that addresses information sensitivity, data protection and IT security risk management. The program shall include as a minimum:
 - i. Defined roles and responsibilities for IT Security;
 - ii. IT Security policies, standards, directives and guidelines suitable to identification and processing of information that is sensitive;
 - iii. IT Security Risk Assessment and mitigation measures;
 - iv. Implementation of technical, physical, management, personnel and operational controls that are effective in preventing unauthorized access, manipulation or destruction of data according to a minimum standard approved by CMHC.
- b. All Provider and 3rd party staff having access to unencrypted CMHC data shall undergo a background screening process approved by CMHC, prior to access being provided;
- c. Providers and 3rd Parties holding CMHC information shall not refuse any reasonable request for implementation of additional safeguards for protecting CMHC data;
- d. CMHC shall have the right to review the security program of any organization directly connecting to a CMHC internal system;
- e. CMHC retains the right to terminate this agreement and any associated connectivity should the security program be deemed insufficient to adequately protect CMHC information or the connection itself.
 - i. Upon termination of the agreement under this clause, all CMHC provided information shall be returned to CMHC and all media at Providers' and 3rd parties' sites that housed such information shall be wiped in accordance with CSE publication (ITSG-06) - Clearing and Declassifying Electronic Data Storage Devices.

3.3.11.2.6 Monitoring and Incident Response

- a. CMHC shall have the right to periodically audit technical, management and operational safeguards in place at Provider and 3rd party sites that house or process CMHC information;
- b. All security incidents identified by one party shall be reported to the other parties upon discovery or as soon after as possible.

3.3.11.2.7 CMHC Information Disposition

- a. Providers and 3rd Parties shall not delete or archive any CMHC provided information without prior approval of CMHC;
- b. When approval is provided for removing CMHC information it shall be done in accordance with CSE publication ITSG-06;
- c. Upon termination of the 3rd Party responsibilities for safeguarding or transmitting CMHC information, all copies of the information held on any type of media shall be returned to the Provider and the media wiped according to ITSG-06.

3.3.11.2.8 Information Recovery

- a. Disaster Recovery procedures shall be coordinated with CMHC's Business Continuity Plan and regularly tested according to an agreed schedule.

The contractor will be required to document how they have met or exceed the baseline safeguards.

The contractor may refine Security Measures as part of this process to ensure a sufficient amount of detail for their allocation of high-level design specification. CMHC will review and potentially approve any refinements implemented by the contractor as part of CMHC's review and change disposition. Upon request from CMHC I&T Security Risk Management the lead contractor will provide assurance that security controls are being managed in accordance with a secure environment throughout the life of the Agreement. The contractor will be required to ensure that any additional safeguards have been implemented to address any residual risks identified by it or by CMHC.

3.3.11.3 IT Systems/Hardware

3.3.11.3.1 Redundancy

The Selected Proponent will ensure there is redundancy in all systems supporting the Selected Proponent's production environment, including but not limited to:

- I. Backup application;

- II. Backup hardware;
- III. Backup power supply;
- IV. Backup communication lines.

3.3.11.3.2 Disaster Recovery

The Selected Proponent will ensure:

- I. there is a separate Disaster Recovery Facility in a different location from the primary production site to provide full backup and timely resumption of processing for critical systems;
- II. there is a Disaster Recovery plan, tested at least annually with established recovery teams. The maximum acceptable recovery time is 24 hours;
- III. a set of disaster recovery protocols is defined.

3.3.11.3.3 System Changes

The Selected Proponent will need to describe the normal practice(s) when introducing a major system change that may impact CMHC.

- I. will have the required updates or changes fully tested and operational within 60 days of notification by CMHC;
- II. agrees to follow IT Protocol, to be established and agreed upon by both Parties, for changes to CMHC IT equipment/software;
- III. provide CMHC with access to any onsite space during and/or after hours as need arises;
- IV. will allow access to onsite space when required. CMHC will strive to provide Contractor advance notice where circumstances permit.

CMHC will notify the Selected Proponent 60 days (as a minimum) in advance of any major technical changes that would impact the proposed communication link.

3.3.11.3.4 Testing

The Selected Proponent will:

- I. connect to the CMHC test environment to enable the effective testing of CMHC system enhancements before rollout;
- II. agree to participate in such testing activities upon receiving CMHC notice of testing requirements at least 3 weeks prior to the planned date;
- III. agree to participate in testing other emergency changes (such as Disaster Recovery Simulations) as required by CMHC;
- IV. ensure availability and access to testing environments and processing of test cases as required.

3.3.11.3.5 Technical Support

The Selected Proponent shall provide CMHC with technical support for its system, including:

- I. providing a single point of contact for the CMHC to contact for reporting and coordinating outages or emergency maintenance, and for technology related discussions;
- II. reporting to CMHC any technical problems affecting Services to CMHC within 30 minutes of the occurrence, and reporting resolution of the problem without delay;
- III. providing problem management support following the problem resolution protocol.

3.3.11.4 System Operations Availability and Performance

A. Availability

The Proponent(s) shall provide the following hours of availability:

- Monday to Friday 7:00 A.M. – 8:00 P.M. ET
- Saturday 9:00 A.M. - 6:00 P.M. ET
- Sunday 12:00 NOON - 6:00 P.M. ET
- And provide Services as normal on all holidays except Christmas Day, Boxing Day, New Year's Day and Easter Sunday;
- System availability – Uptime for each major component of the system in actual hours, and as a percentage of possible availability.

B. Performance

The Proponent(s) shall commit to maintain a monthly minimum availability of 99.7% for the Services.

To assist in the ongoing monitoring of performance, standard service level reporting is required. Reports shall be produced by the Proponent(s) and provided to CMHC on a monthly basis. Two types of statistics must be maintained:

- Problem calls and /or emails – the number of calls received, broken down according to the nature of the call and /or email, and the length of time taken to resolve the problem.

3.3.12 Official Languages

The CSP acknowledges and understands that CMHC is governed by the Official Languages Act and follows related Treasury Board Policies. The CSP agrees to take any measures necessary to

ensure compliance with the Act and those policies. When providing services to or communicating with CMHC employees, in person, over the phone or in writing (including electronic correspondence), the CSP must actively offer bilingual services in and indicate clearly by verbal and/or visual means that employees can communicate with and obtain available services in either English or French. The CSP must also ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

3.3.13 Business Continuity Plan & Disaster Recovery Plan

The CSP will have a Business Continuity Plan/Disaster Recovery Plan that outlines the CSP's measures for ensuring the continuation of the outsourced business activities in the event of problem and events that may affect the CSP's operations, including systems breakdown and natural disasters, and other reasonably foreseeable events. The CSP will regularly test its business recovery system as it pertains to the services provided under this RFP.

The CSP will, on an annual basis, notify CMHC of the test results, and address any material deficiencies. In addition, CMHC will be notified in the event that the CSP makes significant changes to its business continuity and disaster recovery plans, or encounters other circumstances that might have a serious impact on the service.

3.3.14 Innovation and Added Value

CMHC values and welcomes innovative initiatives from Proponents. Innovation can be demonstrated by seeking opportunities to make effective decisions and improve organizational performance or in finding other innovative ways to provide added value to our mutual clients. The proposal should identify such opportunities and demonstrate how these services and/or actions could qualify as an innovative solution to CMHC.

Examples of innovation are, but not limited to, new or improved methods of communication allowing for better turnaround time, new mechanisms that would better identify misrepresentation and possibly avoid fraud, a quality-assurance process enabling better results and better performance for CMHC.

3.3.15 Audit Rights including OSFI Rights to Conduct Supervisory Activities

The CSP is required to provide CMHC the right to evaluate the service provided or, alternatively to cause an independent auditor to evaluate, on its behalf, the service provided to CMHC. This includes a review of the CSP's internal control environment as it relates to the services being provided.

In addition, the CSP will allow OSFI or the Superintendent's representative the right to:

- exercise the contractual rights of CMHC relating to audit;

- accompany CMHC (or its independent auditor) when it exercises its contractual audit rights;
- access and make copies of any internal audit reports (and associated working papers and recommendations) prepared by or for the CSP in respect of the service being performed for CMHC, subject to OSFI agreeing to sign appropriate confidentiality documentation in form and content satisfactory to the service provider; and
- access findings in the external audit of the CSP (and associated working papers and recommendations) that address the service being performed for CMHC, subject to the consent of the CSP's external auditor and OSFI agreeing to sign appropriate confidentiality documentation in form and content satisfactory to the service provider and the external auditor.

3.3.16 Record Keeping Requirements

The CSP will be required to document all files and keep appropriate records in compliance with all policies of CMHC and the Approved Lender, including any specific record retention and disposition policies. Records are to include all facts, information and documentation material to the administration of the file including but not limited to the mortgage loan insurance claim, mortgage enforcement, enforcement of security interests in personal property, property management and disposal, and obtaining of judgments. Such information may be requested by the Approved Lender or CMHC at any time and the CSP shall produce such information within a reasonable period of time upon receipt of such a request.

All records are to be returned to CMHC upon termination of the Agreement with the Service Provider.

3.3.17 Security Screening Requirements

Supplier will obtain and maintain the required level of Government of Canada Security Screening in respect of each Security Screened Supplier Personnel, as follows:

- i. Reliability status: required for all Security Screened Supplier Personnel Handling any CMHC Data that contains "protected" information or accessing any CMHC Facilities or any Hardware, Software or Systems of CMHC to perform any Services hereunder;

Supplier will conduct all Security Screening through the Contract Security Program ("CSPG") that is administered by Public Service and Procurement Canada ("PSPC").

Supplier will provide CMHC with a copy of its registration under the CSPG and the Security Screening certificate and briefing form for each Security Screened Supplier Personnel along with the validity period of each certificate, and updated or

replacement certificates, as are required to maintain the reliability status or security clearance under the CSPG.

For greater certainty, any inability or delay in obtaining the required Security Screening or a revocation of the required Security Screening in respect of any Security Screened Supplier Personnel will disqualify such Security Screened Supplier Personnel from providing any Services under this Agreement.

Without limitation to anything in this agreement, if, at any time:

CMHC reasonably determines that any Security Screened Supplier Personnel poses a security risk to CMHC or to the Government of Canada, CMHC may notify Supplier of that determination. Upon receipt of such notice, Supplier will take such action as is requested by CMHC to address such security risk, which action may include prompt removal of such Security Screened Supplier Personnel from performing any Services;

Supplier becomes aware of any security concerns that could affect any Security Screened Supplier Personnel's Security Screening status or clearance and Supplier reasonably believes that such security concerns may pose a risk to CMHC or to the Government of Canada (including, drug or alcohol misuse, any sudden or marked changes in financial situation or expenditures (e.g., bankruptcy, unexpected wealth), expressions of support for extremist views, actions or incidents, particularly when violence is advocated, unexplained hostile behaviour or communication, unexplained frequent absences, indications of fraudulent activity, disregard for safeguarding sensitive information or assets (e.g., violations, breaches of security) or persistent or unusual interest in or attempts to gain access to sensitive information, assets or facilities to which an individual has no work-related need to access), Supplier will immediately advise CMHC of such concerns and, if requested by CMHC, will initiate a review of such Security Screened Supplier Personnel's security status or clearance for cause.

3.3.18 Other Obligations of CSP

1. The proponent may be required to meet with CMHC or AL representatives at their office or at the location determined by CMHC or AL. The proponent will be responsible for all expenses related to these meetings;
2. Ensure that all involved parties work as a team;

3. Work in partnership with Lender and CMHC to make the planning, management and operation of services cost-effective and efficient;
4. Provide official notification to Lender and CMHC prior to the occurrence of significant changes of their organization which may have an impact on service delivered;
5. Operate in accordance with government security policies, standards, guidelines, etc.
6. Monitor performance against Service Level Reports to ensure Services are delivered.

SECTION 4 PROPOSAL REQUIREMENTS

Overview of Section 4

Proposal responses are to be organized and submitted in accordance with the instructions in this section. Responses should be organized into the following Response Item sections.

Response Item

#	Item
4.3	Covering Letter
4.4	Executive Summary
4.5	Proponent's Qualifications
4.6	Response to Statement of Work
4.7	Project Management Plan
4.8	Financial Information
4.9	Technology Security Information
4.10	Other Information
4.11	Pricing Proposal

Elaborate or unnecessarily voluminous proposals are not desired. Proponents are encouraged to take care in completely answering questions and proposal requirements and to avoid submitting extraneous materials that do not show how the proponent intends to meet requirements.

Requirements for each Response Item are detailed below.

4.2 Mandatory Proposal Requirements

Certain requirements in section 4 are identified as mandatory. See Section 1.7 for a description of mandatory requirements.

4.3 Covering Letter

A covering letter on the proponent's letterhead should be submitted and include the following:

- (a) A description of the company or joint venture/consortium;
- (b) The names of the individuals who are the principals of the proponent;
- (c) Contact information for the primary contact person with respect to this RFP including the individual's name, address, contact numbers by phone and fax, and contact e-mail address, if available;
- (d) The locations of primary and all other offices that would be servicing the Agreement.

4.4 Executive Summary

The proponent's proposal should include an executive summary highlighting the following:

- (a) Key features of the proposal, features that make the proposal advantageous for CMHC, innovative approaches to meeting the requirement and cost-saving opportunities;
- (b) A brief statement of the proponent's qualifications to meet CMHC's stated requirements.

4.5 Proponent's Qualifications

MANDATORY

The proponent's proposal must include information about the proponent's qualifications as follows:

- (a) A description of the proponent's organization, its history, legal status, number of full-time employees and areas of specialization;
- (b) A description of all entities that may be directly or indirectly controlled by, or is under common control with, the proponent;
- (c) Résumés for all personnel who would be assigned to the project, including subcontractors, if any. Include details of qualifications, experience in mortgage enforcement, default management files, property management, and real estate marketing and sales;
- (d) A list of references that includes all contracts of a similar size and scope which the proponent currently holds or has held over the past 36 months with the name and address of the other party to the contract, and a contact person name and phone number. Note that by providing this information, the proponent provides consent to CMHC to contact the contact persons for the purpose of collecting information relating to the quality of work provided by the proponent;
- (e) Information about office location(s) answering the following questions: If awarded this Agreement, which office would provide support services? How many personnel are located in this office and what is their specific experience with the proposed work?

4.6 Response to Statement of Work

MANDATORY

In this section, the proponent must provide detailed information relative to the specifications listed in Section 3, The Statement of Work, including the identification any conflict of interest situations and how the CSP will resolve the conflict of interest to the satisfaction of CMHC. Where multiple options are available for mortgage enforcement legal processes in a specific jurisdiction, the proponent should provide its recommended course of action with a goal of increasing efficiencies and decreasing costs for CMHC. The proponent must also include a signed letter of intent by the proponent's insurance broker recognizing that all services will be insured by the lead proponent.

4.7 Project Management Plan

MANDATORY

The proponent shall describe its project management plan including:

- (a) Project Management Approach. The proponent shall describe its project management approach and the project management organizational structure including reporting levels and lines of authority;
- (b) Quality Control. The proponent shall describe its approach to quality control including: details of the methods used in ensuring quality of the work, and response mechanisms in the case of errors, omissions, delays, etc.
- (c) Status Reporting to CMHC. The proponent shall describe its status reporting methodology, including details of written and oral progress reporting methods;
- (d) Work Schedule. The proponent shall describe the method it will use to ensure compliance with the work schedule;
- (e) Interface with CMHC. The proponent shall describe and explain its intended interface points with CMHC, all available interface mechanisms, and how interface issues and difficulties will be resolved;
- (f) The proponent's plan for ensuring continuous improvement of its practices and procedures for delivering the services.

4.8 Financial Information MANDATORY

Proponents are not expected to submit confidential financial information with their proposal, however CMHC reserves the right to conduct an assessment of the Lead Proponent(s) financial capacity. Once a lead proponent is selected following the RFP evaluation process, CMHC may request the financial information necessary to confirm the financial capacity of the proponent. This section details the review that may be conducted and the documents that are required of the lead proponent.

Failure to comply with the financial information submission requirements set out in this section, will result in disqualification of the lead proponent(s) at which time no further consideration will be provided to the respective submission(s).

4.8.1 Financial Capacity Review

Once identified, the lead proponent(s) may be requested to provide CMHC the following information, within 72 hours of CMHC's request to permit an analysis of the financial capacity of the lead proponent(s).

Partnerships, Corporations, Joint Ventures and Consortiums:

Proponents must provide a complete set of signed, detailed, audited financial statements for each of the last three (3) years, and any other relevant financial information that CMHC may subsequently request. The auditor's report accompanying the financial statements must be signed by an appropriate officer of the audit firm.

In the event that the financial statements are not audited, they must be accompanied by a signed review engagement report for each set of annual statements.

A complete set of financial statements consists of all the following items:

1. Auditor's Report (or Review Engagement Report);
2. Balance Sheet;
3. Income Statement;
4. Cash Flow Statement;
5. The Notes to the Financial Statements; and

In the case of a joint venture or consortium, each and all members of the joint venture or consortium must provide the required information. Partnerships of individuals (as opposed to partnerships of corporations), must provide written permission from each partner allowing CMHC to perform a credit check on them.

Sole Proprietorships

Proponents that are organized as sole proprietorships must provide a statement contained within their proposal giving written permission for CMHC to perform a credit check as required. Where financial statements are available, they should accompany the foregoing statement.

4.9 Technology Security Information MANDATORY

When applicable and at CMHC's sole discretion, CMHC shall have the right to conduct an assessment of the contractor's security controls and frameworks (the "**Security Measures**"), which assessments may be carried out by CMHC itself or by a third party on behalf of CMHC. Should a lead proponent be identified, CMHC may request the following information, within an agreed upon timeframe, to permit an analysis of the Service Provider's Security Measures:

1. Provide proof, to the satisfaction of CMHC of the Service Provider's implementation of one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent guideline for the safeguarding of **Protected B (Personally Identifiable Information)**;
2. Provide proof, to the satisfaction of CMHC that an enhanced Threat and Risk Assessment has been conducted on the Service Provider's technology/infrastructure;

3. Provide proof, to the satisfaction of CMHC that an internal and external Network Vulnerability Assessment has been conducted on the Service Provider's technology/infrastructure;
4. Provide CMHC with a "Security Controls Checklist" as detailed within one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent.

The Service Provider will be required to document how they have met or exceed the baseline safeguards.

The Service Provider may refine Security Measures as part of this process to ensure a sufficient amount of detail for their allocation of high-level design specification. CMHC will review and potentially approve any refinements implemented by the Service Provider as part of CMHC's review and change disposition. Upon request from CMHC I&T Security Risk Management the lead Service Provider will provide assurance that security controls are being managed to safeguard **Protected B (Personally Identifiable Information)** throughout the life of the Agreement. The Service Provider will be required to ensure that any additional safeguards have been implemented to address any residual risks identified by it or by CMHC.

4.10 Other Information

The Proponent may provide other relevant financial information, but is not obligated to do so.

4.11 Business Continuity and Disaster Recovery Plan

The proponent will develop a business continuity and disaster recovery plan for the proponent's business activities in the event of a disaster affecting the delivery of Services. Upon CMHC's written request, the proponent will provide its plan to CMHC within five (5) business days following the request, with CMHC reserving the right to declare its satisfaction therewith at its sole discretion.

4.12 Pricing Proposal

MANDATORY

The proponent must provide a response outlining the pricing of its proposed fees to be charged for legal, takeover and property management, appraisal, marketing and sales in the attached Appendix "D" and include in the proponent's response.

All prices and amounts of money in the proposal are to be quoted in Canadian dollars and be exclusive of the Goods and Services Tax (GST), Harmonized Sales Tax (HST), and Provincial Sales Tax (PST), as applicable, unless otherwise indicated. The GST, HST or PST, whichever is applicable, shall be extra to the price quoted and will be paid by CMHC.

The proponent will provide pricing for each component of the scope of work as follows:

- i. Legal Services – The proponent is to provide an all-inclusive fee for legal services described in Appendix B of this RFP;
- ii. Appraisal Services – Proponent is to provide an all-inclusive price to complete an appraisal as described in Section 3.3.2 of this RFP for each province or territory;
- iii. Securing and Property Management Services – Proponent is to provide an all-inclusive fixed monthly fee that includes all services described in Section 3.3.3 of this RFP. This fee will be prorated for the portion of time that the property is assigned up until the sale closing date;
- iv. Real Estate Marketing and Sales – Proponent must outline the commission rate to be charged for selling the property. The commission rate is to include all items detailed in Section 3.3.4 of this RFP. To ensure that the commission rate quoted never results in a fee that is too low, the proponent is asked to quote a minimum dollar amount of commission payable for each province or territory.

Any estimated volumes specified in this RFP are approximations given in good faith. By submitting a proposal, Proponents acknowledge that any volumes provided are estimates only, and testify to their ability to accommodate increases or decreases in workload as they occur. There is no guarantee on the volumes of files which will be assigned to the Claims Service Provider(s).

SECTION 5 EVALUATION AND SELECTION

5.1 Overview of Section 5

Section 5 describes the process CMHC will use to evaluate proposals, select a lead proponent(s) and finalize and sign an agreement.

CMHC commits to conducting the evaluation process in a fair and objective manner and treating all proponents equitably. To this end, it has set out detailed terms and conditions and evaluation criteria which will be applied uniformly to all proponents.

Preference will be given to firms that are able to provide quality service in all provinces and territories.

As per section 2.11, by submitting a proposal, proponents agree to relinquish all causes of action, claims, complaints or demands that they may have against CMHC arising out of its evaluation of proposals, the alteration of any terms and conditions, the failure to evaluate any proposal, the failure to sign an agreement with a proponent, or the termination of this RFP process.

CMHC intends to conduct the RFP process such that the proposal that represents the best value to CMHC, based on its operational requirements, is selected. The lowest cost proposal will not necessarily be selected. CMHC reserves the right to reject any or all proposals in whole or in part on the basis of this principle.

5.2 Limitation of Damages

The proponent, by submitting a proposal and subject to section 2.11, agrees that under no circumstances will it claim damages in excess of the reasonable costs incurred by the proponent in preparing its proposal. The proponent waives any claim for loss of profits or other indirect or special damages.

5.3 Evaluation Table

The Evaluation Table as provided in Appendix "C" lists the criteria upon which each proposal will be evaluated. The criteria are based on the requirements as provided in this RFP.

5.4 Evaluation Methodology

Each proposal will be examined to determine compliance with each mandatory requirement identified in the compliance checklist. A proposal must comply with all of the mandatory requirements in order to proceed in the evaluation process. A proposal which is deemed by CMHC to be non-compliant in one or more mandatory requirements will be eliminated from further consideration. A proposal which meets all the mandatory requirements will be deemed compliant and will proceed in the evaluation process.

Each compliant proposal shall be individually evaluated by each member of the Evaluation Committee, made up of qualified personnel. Evaluators shall evaluate and numerically score each proposal in accordance with the evaluation criteria as shown in the Evaluation Table, Appendix "C". Once individual evaluations are complete, the Evaluation Committee will discuss and agree upon a final score for each proposal.

A proposal must meet the minimum upset score in each category (as shown on the Evaluation Table) to remain in the evaluation.

Each compliant proposal that meets the minimum upset scores shall then be evaluated using the "lowest compliant bid" evaluation process. The proposal which meets all upset scores in the technical evaluation shall then be evaluated on price, where the lowest overall pricing will determine the lead proponent.

5.5 Financial Evaluation

Once a lead proponent is identified, CMHC may carry out a credit check and/or a financial capacity assessment on the lead proponent. The financial evaluation will be based on the information that is requested as per Section 4.8 of this RFP.

The financial evaluation is a pass/fail evaluation to determine whether the lead proponent has the financial capacity required to provide CMHC with reasonable assurance that it will be able to meet its obligations if it enters into an agreement with CMHC. If the lead proponent passes the financial evaluation, CMHC is then in a position to begin contract negotiations. If the lead proponent fails the evaluation, it is disqualified from further consideration.

5.6 Technology Security Evaluation

Prior to beginning contract discussions, CMHC will conduct an assessment of the lead proponent's security controls and framework (the "Security Measures"), which assessments may be carried out by CMHC itself or by a third party on behalf of CMHC. The technology security evaluation will be based on the information supplied by the proponent as per Section 4.9 of this RFP.

5.7 Proponent Selection

Once a lead proponent has passed the financial evaluation, CMHC has the option of entering into negotiations with that proponent to incorporate some or all of its proposal into an agreement.

If at any time CMHC decides that the lead proponent cannot satisfy CMHC's requirements, CMHC may terminate negotiations. If at this time CMHC feels that the secondary proponent may meet the requirements, CMHC will continue the process with the secondary proponent and so on.

By submitting a proposal, proponents agree that if they are selected as lead proponent, they will enter into contract negotiations in a timely manner and in good faith, and within the framework of the RFP and the proponent's response to the RFP.

Announcement of the successful proponent will be made to all proponents following the signing of an agreement.

SECTION 6 DRAFT AGREEMENT

6.1 Overview of Section 6

Attached in Section 6.2 is a draft agreement containing terms and conditions that will form the basis of the agreement resulting from this RFP. CMHC reserves the right to add, delete or revise terms and conditions during negotiations.

Terms and conditions identified as “Mandatory” in the RFP or draft Agreement must be included in the agreement. The proponent’s proposal and all associated correspondence from the proponent, where relevant, shall to the extent desired by CMHC, also form part of the resulting contract.

Submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent’s proposal, agrees to be bound by the terms and conditions in the draft agreement in the event that the proponent is selected by CMHC to enter into a contract.

For the purposes of this section the term “Contractor” refers to the successful proponent with whom CMHC enters into an agreement.

6.2 Draft Agreement

DRAFT AGREEMENT

CMHC FILE No. [Click here to enter text.](#)

THIS AGREEMENT (the "Agreement")

BETWEEN **CANADA MORTGAGE AND HOUSING CORPORATION**
National Office
700 Montreal Road
Ottawa, Ontario, Canada
K1A 0P7
(hereinafter referred to as "CMHC")

AND [Click here to enter text.](#)

(hereinafter referred to as the "Contractor" or "Claim Service Provider" or "CSP")
(individually a "Party", collectively the "Parties")

WHEREAS CMHC has initiated an enhanced claims service model ("Enhanced Claims Service" or "ECS") under which Approved Lenders can assign qualifying CMHC insured mortgage loans for 1-4 unit residential properties in default to CMHC in accordance with the Master Loan Insurance Policy, Accelerated Claim Payment Process, the Handbook for CMHC Approved Lenders including any Advices, Commitment and Special Conditions ("CMHC's Policy of Insurance");

WHEREAS CMHC wishes to retain the Contractor to provide legal, securing and property management, and marketing and sales services in respect of ECS properties;

WITNESSES THAT in consideration of the respective covenants and agreements of the parties, CMHC and the Contractor mutually covenant and agree as follows:

Article 1.0 - The Services

- 1.1 CMHC hereby engages the Contractor and the Contractor hereby covenants and agrees to provide services for and on behalf of CMHC in accordance with the statement of work attached as Schedule "A" (the "Statement of Work") including services as further outlined in Schedule "C" all in accordance with the Agreement (as defined in Article 6) (collectively, the "Services").
- 1.2 The Contractor represents and warrants that the Contractor and its employees, agents and subcontractors:

- a) possess the requisite skills, training and experience and will perform the Services in a competent, prudent, reputable and professional manner;
- b) will perform the Services in accordance with the requirements of this Agreement;
- c) are licensed, insured, certified and in good-standing with the applicable regulatory body and/or under legislation to provide the Services and advice to CMHC in the respective jurisdiction in which the Contractor operates;
- d) shall not act or omit to act in any way that may adversely affect CMHC or its reputation;
- e) shall not, with respect to any deliverable, knowingly or negligently infringe any third party intellectual property rights;
- f) are not Approved Lenders and do not carry out the activities of an Approved Lender; and
- g) are not non-residents of Canada.

1.3 The Contractor shall assign personnel satisfactory to CMHC to perform the Services. CMHC may require the Contractor to withdraw and replace any person and require that the Contractor promptly provide a replacement satisfactory to CMHC.

1.4 The Contractor shall deliver the Services in accordance with the project schedule set forth in Schedule "A", and if Schedule "A" does not contain a project schedule, then the project schedule shall be as advised by CMHC. The Contractor acknowledges that time is of the essence in completing the Services and that the Contractor's failure to deliver any Services in accordance with the required schedule will result in expense and damage to CMHC.

1.5 If Services are unsatisfactory or not compliant with CMHC's instructions or guidelines and procedures provided to the Contractor from time to time, CMHC may, in addition to any other remedy, take such action as necessary to correct the Contractor's default as set out in Article 3.4.

1.6 The Contractor will ensure that, unless specifically contemplated in a Statement of Work or otherwise agreed by CMHC in writing, at all times during the Term: (a) the hardware, software systems, facilities and personnel used by the Contractor or approved subcontractors and agents to provide the Services will be physically located in Canada, and (b) all CMHC Information (as defined herein) will be physically located in, or on media that is physically stored in, Canada, and will not be accessible or processed outside of Canada.

1.7 The Contractor undertakes, and the Contractor shall ensure that any of its employees, agents and subcontractors assigned to perform the Services undertake to:

- a) provide the Services in accordance with the requirements of CMHC and this Agreement;
 - b) promptly respond to any request for information made by CMHC or any party designated by CMHC concerning the Services;
 - c) comply with all applicable laws, order, rules, regulations, ordinances, permits, licenses and visas, including without limitation any applicable guidelines and directives, of any local, state, provincial, federal or foreign government authority that govern or apply to the Services;
 - d) respect and adhere to all CMHC's policies as are advised in advance, or from time to time during the term of this Agreement, that apply to the Contractor and any of its employees, agents and subcontractors including, without limitation, policies regarding record retention, security and the handling or use of personal or proprietary information, software, databases, and files belonging to CMHC; and
 - e) use the Contractor's or any of its employees, agents and subcontractors' own equipment, tools and material, including but not limited to, electronic devices such as computers and mobile telephones, necessary to perform the Services for CMHC, except as otherwise specifically agreed in writing with CMHC.
- 1.8** The Contractor covenants and agrees that it shall not subcontract or delegate the performance of the Services without the prior written consent of CMHC. If CMHC consents to the Contractor subcontracting a portion of the Services, the Contractor shall flow down to those subcontractors, all the requirements specified in this Agreement and the subcontractor's provision of Services shall be subject to this Agreement, all of its schedules, and addendums thereto. Nothing contained in this Agreement or otherwise shall create any contractual relationship, or payment obligation, between CMHC and any subcontractor, and no subcontract shall relieve the Contractor of its responsibilities or obligations hereunder. The Contractor shall be fully responsible and liable to CMHC for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them (as it is for the acts and omissions of persons directly employed by the Contractor), including ensuring their full compliance with all terms of this Agreement.
- 1.9** Without limiting the requirements otherwise set forth in this Agreement, at all times during the Term, the Contractor will perform the Services so as to meet or exceed the Service Levels. For the purposes of this Agreement, "Service Levels" means the performance standards applicable to the provision of the Services by the Contractor as set out in each Statement of Work or as otherwise set out in this Agreement.
- 1.10** The Contractor will deliver to CMHC the reports specified in each Statement of Work (with the frequency set out therein). At a minimum, upon request, the Contractor will

provide sufficient information to CMHC to enable CMHC to assess the Contractor's performance of the Services.

1.11 The Contractor acknowledges and agrees that CMHC shall not guarantee a minimum or maximum number of files nor the duration of involvement that a Contractor will provide Services. Without limiting the generality of the foregoing:

- i. CMHC shall have the sole discretion to assign files to the Contractor and to direct the Contractor to assign files to any of its agents or subcontractors; and
- ii. CMHC shall have the sole discretion to transfer a file from the Contractor to another party as designated by CMHC or to remove a file from ECS.

1.12 The Contractor agrees to comply with all technical and system requirements specified in the Statement of Work. Without limiting the generality of the foregoing, the Contractor shall, at no expense to CMHC, provide CMHC or any party designated by CMHC with electronic access to its systems to enable CMHC to obtain documents and any information in relation to files submitted into the Enhanced Claims Service process, generate reports, complete assessments of the performance of the Contractor and its agents and subcontractors and to permit completion of audits of the Contractor by any Governmental or Regulatory Authority (as defined herein) and/or any CMHC Audit Representative (as defined herein).

Article 2.0 - Term of the Agreement

2.1 This Agreement shall come into effect as of the Effective Date and shall continue until its expiration or termination in accordance with the terms and conditions herein (the "Term").

2.2 The Initial Term and any Renewal Term shall be included in the Term. The initial period shall be for three (3) years (the "Initial Term") commencing on or about January 1, 2018 (the "Service Start Date") and ending on December 31, 2020 and may be renewed as set forth in Article 2.3.

2.3 Renewal

Upon the expiry of the Initial Term, the Agreement may be renewed on the same terms and conditions, at CMHC's sole discretion, for two (2) successive one-year periods (each a "Renewal Term"), provided that the Initial Term and all Renewal Terms shall not exceed a cumulative total of five (5) years from the Service Start Date.

2.4 Termination

No fault termination

Notwithstanding articles 2.1, 2.2 and 2.3 above, CMHC may terminate the Agreement for any reason with no liability, penalty or charge to CMHC by giving thirty (30) days written notice at any time during the Term.

Termination for Default of Contractor

CMHC, by written notice of termination to the Contractor, may terminate this Agreement with immediate effect and without liability, penalty or charge to CMHC for any of the following reasons:

1. the Contractor or its employees, agents or subcontractors commits a breach of its obligations under this Agreement, unless the Contractor cures such breach and indemnifies CMHC for any resulting damage or loss, both in a manner satisfactory to CMHC in its sole discretion, within thirty (30) calendar days of receipt by the Contractor of written notice of breach from CMHC;
2. there is a change in control of the Contractor where such control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of the Contractor are acquired by any entity, or the Contractor is merged with or into another entity to form a new entity, unless the Contractor demonstrates to the satisfaction of CMHC that such event will not adversely affect its ability to perform the services under this Agreement;
3. the Contractor becomes bankrupt or insolvent, or a receiving order is made against the Contractor, or any assignment is made for the benefit of the creditors, or if an order is made or a resolution passed for the winding up of the Contractor;
4. the Contractor or its employees, agents or subcontractors breach the provisions of Article 4.2 (Confidential Information) or Article 4.1 (Intellectual Property);
5. the Contractor or its employees, agents or subcontractors commit gross misconduct, fraud or other unlawful acts; or
6. a conflict of interest, real, potential or perceived of the Contractor, its agents or subcontractors, as determined by CMHC in its sole discretion.

CMHC's Obligations upon Termination

In the event that a notice of termination is given, and subject to the deduction of any claim which CMHC may have against the Contractor arising out of the Agreement or its termination, CMHC will be obliged to make payment for the value of all Services performed to the satisfaction of CMHC to the date of the notice, such value to be determined in accordance with the rate(s) specified in the Agreement. CMHC will make payment within thirty (30) days of the date of the notice of termination or receipt of an invoice submitted by the Contractor, whichever is later. Upon such payment, CMHC shall have no further obligation or liability of any kind to the Contractor with respect to such Services. For greater clarity, CMHC shall not be liable to pay the Contractor for any Services performed that remain unsatisfactory to CMHC as referenced in Article 1.5.

Contractor's Obligations upon Termination

Upon termination of this Agreement or upon delivery of notice of termination of this Agreement, the Contractor shall promptly review all work in progress and forward it to CMHC or another party designated by CMHC. The Contractor shall provide CMHC with transitional assistance as directed by CMHC.

Upon termination of this Agreement or upon delivery of notice of termination of this Agreement, the Contractor shall, subject to and in accordance with CMHC's directions, return all files to CMHC, including CMHC Information (which includes information about any identifiable individual that was received, collected, or accessible to Contractor or its personnel as a result of Contractor performing the Services or otherwise in the course of its business relationship with CMHC) in the format directed by CMHC. The CSP shall box, inventory and return all files to CMHC within four (4) weeks of the termination of the agreement.

2.5 Termination Assistance

Commencing six (6) months prior to expiration of the Term or on such earlier date as CMHC may request, or commencing upon any notice of termination or non-renewal of this Agreement, the Contractor shall provide CMHC with termination assistance as required by CMHC to allow the Services to continue without interruption or adverse effect and to facilitate the orderly transfer of the services to CMHC.

2.6 Continuation of Services After Termination

Notwithstanding Article 2.4, subject to CMHC's sole discretion, the Contractor shall continue to provide the Services as directed by CMHC in respect of all files that are in progress at the time of termination on the same terms and conditions of this Agreement. The provisions of this Article 2.6 shall survive the termination of this Agreement.

Article 3.0 – Financial

- 3.1** In consideration of the performance of the services, as described in Article 1.0, CMHC agrees to pay the Contractor an amount based on the Contractor's rates attached as Schedule "B". Notwithstanding the foregoing, under no circumstances shall CMHC's total financial liability under the Agreement exceed \$ _____ for Services provided during the initial term of the Agreement. The Contractor's rates shall be in effect for the duration of the Term, including any successive Renewal Terms and continuation services provided in section 2.6, if applicable.
- 3.2** The amount payable to the Contractor by CMHC pursuant to article 3.1 is inclusive of all taxes, assessments, duties or other levies that may be payable, including any goods and services tax/harmonized sales tax (GST/HST) or retail sales tax (RST). No other taxes, assessments, duties or other levies shall be payable to the Contractor unless specifically agreed in writing by the Contractor and CMHC.
- 3.3** Notwithstanding article 3.2 above, GST/HST or RST, to the extent applicable and required to be collected, shall be collected by the Contractor and shown as a separate item on each invoice. Where the Contractor is required to collect the GST/HST, the invoice issued by the Contractor shall show the Contractor's GST/HST number. Where the Contractor is also required to collect the Quebec Sales Tax (QST), the invoice shall show the QST number. The Contractor shall duly remit to the Canada Revenue Agency or the appropriate provincial taxing authorities all taxes payable on the Services.

3.4 Invoicing

The Contractor shall submit detailed invoices to CMHC at intervals as determined by CMHC during the Term in a manner and form prescribed by CMHC. The Contractor must allow thirty (30) days from delivery of invoice for payment without interest charges. The Contractor cannot invoice prior to performance of the Service.

All invoices must make reference to this Agreement by quoting the applicable CMHC file number.

Before authorizing payment of any amount to the Contractor, CMHC reserves the right to determine, in its sole discretion, whether the Services were performed in accordance with the terms and conditions of the Agreement. In the event that the Services do not meet the standards set out in the Agreement or are not compliant with CMHC's instructions or guidelines, CMHC may take such action as necessary to correct the Contractor's default, including, without limitation, the following:

- a) directing the Contractor to redo the work that was not completed in accordance with the Agreement and deliver the Services at the Contractor's cost and expense to CMHC's satisfaction;

- b) withholding payment;
- c) setting off any expenses incurred by CMHC in remedying the default of Contractor (including obtaining replacement Services from another source) against payment for payment due to the Contractor; and
- d) terminating the Agreement for default.

3.5 Method of Payment

All payments due under the Agreement will be made by means of Electronic Funds Transfer (“EFT”). The Contractor is responsible for providing CMHC with all the information set out in article 3.6 to allow EFT to be effected and for keeping the information up to date. In the event that CMHC is unable to make payment by EFT, the Contractor agrees to accept payment by cheque or another mutually agreeable method of payment.

3.6 Direct Deposit and Income Tax Reporting Requirement

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and Regulations to report payments to suppliers of goods and/or services by using a T1204 supplementary slip. CMHC must therefore obtain the necessary information from suppliers, including the Contractor’s social insurance number and/or corporate identification number, in order to allow CMHC to make payment by EFT and to complete the T1204 supplementary slip. The Contractor is required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to commencement of the Term. Throughout the Term, the Contractor is required to ensure that the information provided remains accurate and up to date. The Contractor assumes full responsibility for any errors in payments or tax reporting that arise because the information supplied is inaccurate or out of date.

3.7 Audit

For the purposes of this Agreement, “Governmental or Regulatory Authority” means: (i) any government, agency, commission, board, tribunal, dispute settlement panel or body, bureau, official, minister, or court or other law, rule or regulation-making entity; and (ii) any regulatory authority, self-regulatory organization or other entity having jurisdiction over the CMHC, the Contractor or the Services, including without limitation the Office of the Superintendent of Financial Institutions (“OSFI”).

The Contractor agrees to allow CMHC, any Governmental or Regulatory Authority, and/or any internal or external audit representative acting on behalf of CMHC (the "CMHC Audit Representatives") the right to examine, audit and inspect, at any reasonable time:

- (a) any facility or part of a facility at which the Contractor or an approved subcontractor is providing the Services; and
- (b) data, records, documents, personnel and other information of either Contractor or an approved subcontractor relating to the Services located anywhere, in order to verify:
 - (i) the performance by Contractor of its obligations under this Agreement;
 - (ii) the internal control environment of the Contractor or an approved subcontractor as it relates to the Service;
 - (iii) the security and integrity of CMHC Information, including without limitation, CMHC data (including customer, employee and third party information); and
 - (iv) amounts paid by CMHC under the Agreement.

The Contractor agrees to provide the CMHC Audit Representatives with sufficient original documents in order to conduct any audit procedures. Any audit may be conducted without prior notice; however the CMHC agrees to cooperate with the Contractor in the course of conducting any audit in order to avoid disruption in day-to-day operations and to preserve confidentiality of any proprietary information that is disclosed.

3.8 Governmental or Regulatory Authorities

MANDATORY

- (a) Governmental or Regulatory Authorities (or their representatives) have the right to:
 - (i) exercise directly the audit rights granted to CMHC under this Agreement;
 - (ii) accompany CMHC (or any CMHC Audit Representative) when it exercises its audit rights under this Agreement;
 - (iii) access and make copies of, all internal audit reports (and associated working papers and recommendations) prepared by or for Contractor relating to the Services being performed under this Agreement; and
 - (iv) access any findings in the external audit of the Contractor (and) associated working papers and recommendations) prepared by or for the Contractor that relate to the Services, subject to the consent of Contractor's external auditor to sign appropriate confidentiality documentation.
- (b) The Contractor will co-operate with and assist CMHC to meet its obligations to and requests from Governmental or Regulatory Authorities from time to time.

- 3.9** The Contractor will ensure that Governmental or Regulatory Authorities may exercise their audit and inspection rights set forth in this Article directly against any approved subcontractors unless otherwise agreed by CMHC.

Article 4.0 - General Terms and Conditions

4.1 Intellectual Property Rights & Document Ownership

Without limiting the generality, all material, reports and other work product produced under the Agreement will become the sole property of CMHC upon coming into existence and CMHC will hold all intellectual property rights therein. The Contractor warrants that it has sufficient rights to satisfy this term, and that any necessary waivers of moral rights have been obtained, as provided for in the law of copyright. Upon the material coming into existence, the Contractor hereby assigns all rights in the material to CMHC and agrees to execute any document requested by CMHC acknowledging CMHC's ownership of the material and work product and the waiver of moral rights therein.

Nothing in this Agreement is intended to affect the pre-existing Intellectual Property Rights of the Parties, and all personal information, whether or not it is marked as confidential.

Without limiting the generality, all materials, reports and other products provided to the Contractor by CMHC in order for the Contractor to perform the Services under this Agreement shall remain the sole property of CMHC, or of their other respective owners. The Contractor shall have no right to use the materials, reports, data sets or resulting work product for any purpose other than those reasonably necessary for the performance of the Services under this Agreement.

4.2 Access to Documents and Document Retention

MANDATORY

The Contractor shall maintain a complete and accurate paper and electronic file for all Services provided to CMHC. The CSP shall not destroy any files during or after the term of the agreement. Upon termination of the agreement, the CSP shall return all files to CMHC, and keep a copy of the file for a period of three (3) years following the end of the Term or the last service completed on a file, whichever is later. The CSP shall box, inventory and return all files to CMHC within four (4) weeks of the termination of the agreement.

Files must be clearly identified by CMHC account numbers and property name and address. File records are to include all facts, information and documentation material to the administration of the file including but not limited to the mortgage loan insurance claim, mortgage enforcement, enforcement of security interests in personal property, property management and disposal, and obtaining of judgments. At any time, CMHC or any party designated by CMHC may request documentation pertaining to any file and the Contractor shall produce such information within a reasonable period of time upon receipt of such request and in any event within no more than five (5) business days from the receipt of such request.

4.3 Confidentiality and Non-Disclosure of CMHC Information

MANDATORY

In this article 4.2, "CMHC Information" refers to any and all information of any nature whatsoever, including all personal information, that is in the care or control of CMHC, and is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in relation to the provision of the Services, however the information is obtained. Without limiting the generality of the foregoing, CMHC Information includes data in any format and information obtained directly or indirectly by the Contractor.

The Contractor understands the sensitive nature of the CMHC Information and agrees to treat all CMHC Information as proprietary, confidential and sensitive during the Term and following termination of the Agreement, unless otherwise specifically agreed to in writing by CMHC. The Contractor further agrees to restrict access to CMHC Information to those persons who have a need to know this information in order to perform the Services and who are bound by an obligation of confidentiality that is as strict as that contained in this Agreement.

The Contractor undertakes, and the Contractor agrees to ensure that the Contractor's personnel undertake, during the Term of this Agreement and thereafter until such time as the CMHC Information becomes available in the public domain (other than as a result of a breach of this Agreement) or until otherwise specifically agreed in writing by CMHC:

- (a) to preserve in strict confidence and not disclose to any third party any CMHC Information and not use the CMHC Information directly or indirectly for any purpose other than for the performance of Services under this Agreement; and
- (b) not to use, copy, reproduce, divulge, publish or circulate (or authorize or permit anyone else to copy, reproduce, divulge, publish or circulate) any CMHC Information except that as may be reasonably required for the performance of Services under this Agreement. Any copies of the CMHC Information made by the Contractor, including its personnel, shall contain the same proprietary and confidential notices that appear on the original information.

In the event that a breach of confidentiality occurs, the Contractor will immediately notify CMHC and co-operate with CMHC to the extent required to remedy the breach.

Where the Services are sensitive in nature, CMHC may require that the Contractor provide an Oath of Secrecy for each of its employees or persons engaged in performing the Services.

The Contractor further acknowledges and understands that CMHC considers all CMHC Information to be under its custody and control at all times, and that all information in

the care and control of CMHC is subject to federal laws on privacy and access to information.

The Contractor shall ensure that CMHC Information shall remain in Canada and is not accessed from outside Canada. The Contractor expressly agrees to segregate CMHC Information, whether in electronic format or in hard copy, from other information by physical or electronic means. Without limiting the generality of the foregoing, the Contractor and any subcontractor, reseller, agent or any other entity engaged by the Contractor to perform any portion of the Services shall not release, share or otherwise divulge CMHC Information to any other entity including subsidiaries, branch offices, partners of the Contractor or subcontractors without the prior written consent of CMHC.

Where disclosure of CMHC Information is required pursuant to a lawful requirement or for the purposes of complying with a subpoena or warrant lawfully issued or lawfully made by a Canadian court or other Canadian authority that has jurisdiction to compel the disclosure, the Contractor shall notify CMHC promptly after discovering the potential of disclosure of the CMHC Information so that CMHC has the opportunity to seek a protective order or other appropriate remedy.

The Contractor also agrees that in the event that disclosure of CMHC Information is required by a valid and applicable law, it shall, in co-operation with CMHC, take all reasonable steps to prevent access to CMHC Information including but not limited to taking appropriate legal action against disclosure, providing information and other assistance in order for CMHC to take appropriate legal action against disclosure and ensuring that disclosure is strictly limited to the information lawfully requested. The provisions of this article 4.3 shall survive the termination of this agreement.

4.4 Privilege

MANDATORY

The Contractor agrees to preserve all privilege in respect of Services of a legal nature provided to CMHC. The Contractor agrees to take all steps necessary to ensure that its employees, agents and subcontractors preserve all privilege in respect of Services of a legal nature provided to CMHC. Privilege shall not be waived without the express written consent of CMHC. The provisions of this Article 4.4 shall survive the termination of this Agreement.

4.5 Security

MANDATORY

The Contractor will comply with the security requirements set out in this Agreement, including without limitation all requirements set out in Schedule "A" Scope of Work and the Statement of Work. Without limiting the Contractor's obligations hereunder, the Contractor will take appropriate steps to identify to CMHC breaches of security.

4.6 Contractor's Indemnification

The Contractor agrees to indemnify, defend and hold harmless CMHC, its officers, employees and agents, for all loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings of every nature and kind, including legal fees, arising from or in consequence of an act or omission of the Contractor related to the performance of the Services. The indemnification applies whether the actions, suits or proceedings are brought in the name of CMHC or in the name of the Contractor or its employees, agents or subcontractors. The Contractor shall be fully responsible to CMHC for the acts and omissions (including negligence) of its subcontractors and of persons directly or indirectly engaged by such subcontractors as if such acts and omissions were those of the Contractor.

CMHC shall have the right to assume control of its own defence at any time, provided that it assumes the costs of its defence.

4.7 Independent Contractor

MANDATORY

It is understood by the Parties that the Contractor shall act as an independent contractor for the purposes of the Agreement. The Contractor and its employees, officers, agents and contractors are not engaged as employees of CMHC. The Contractor agrees to so advise its employees, officers, agents and contractors.

Without limiting the generality of the foregoing, the Contractor shall retain complete control of and accountability for its employees, agents and contractors. The Contractor shall prepare and process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and statutory payroll deductions required in respect of its employees. All personnel employed by the Contractor at the beginning of the Term shall, at all times, and for all purposes, remain solely in the employment of the Contractor.

4.8 Contractor's Authority

The Contractor agrees that it has no authority to give any guarantee or warranty whatsoever expressed or implied on behalf of CMHC without the written consent by CMHC.

4.9 Corporation Identification

It is agreed that the Contractor will make no use whatsoever of CMHC's name, logo or other official marks without the express written consent of CMHC.

4.10 Conflict of Interest

MANDATORY

The Contractor and its employees, officers, agents and contractors shall avoid any real, potential or apparent conflict of interest during the Term and shall declare any real, potential or apparent conflict of interest to CMHC immediately upon becoming aware of the conflict. The Contractor shall, upon direction of CMHC, take steps to eliminate any conflict, potential conflict or perception that a conflict of interest exists.

The Contractor must not provide any services to any third party in circumstances that might reasonably give rise to a conflict of interest of the Contractor's duties to a third party or CMHC.

In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate the Agreement.

Any public office holder or former public office holder must be in compliance with the provisions of the *Conflict of Interest Act* in order to derive a direct benefit from any Agreement which may arise from this request for proposal.

4.11 Insurance

MANDATORY

The Contractor shall, at its own expense, procure and maintain or cause to be procured and maintained in force for the duration of this Agreement, the insurance coverages outlined below.

The policy limits set forth may be provided in any combination of primary and umbrella/follow-form excess insurance policies.

- a) Commercial General Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$150 million inclusive for personal injury, bodily injury (including death) and property damage for any one occurrence or series of occurrences arising from one cause. The policy shall provide coverage for, but not be limited to:
 - all premises and operations of the Contractor as required under the Agreement;
 - liability for products and completed operations;
 - broad form coverage;
 - contractor's protective liability;
 - non- owned automobile;
 - employer's liability;
 - blanket contractual liability;
 - all liability specifically assumed under this Agreement.

Canada Mortgage and Housing Corporation shall be added to the policy as an additional insured and the policy shall contain cross liability, and severability of interest clauses.

- b) Fidelity Bond/Employee Dishonesty insurance with an insurer licensed to do business in Canada with limits of not less than \$100 million, extending coverage to all owned and non-owned property for which the Contractor is legally liable and “electronic or computer fraud whether intentional or as a result of a social engineering attack, including a third party endorsement in favour of Canada Mortgage and Housing Corporation. The policy shall add Canada Mortgage and Housing Corporation as loss payee. Coverage is to include the Contractor’s employees and employees of any subcontractor the Contractor uses to provide Services (if applicable) as named insureds.
- c) Errors & Omissions Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$135 million per claim, providing coverage for, but not limited to, economic loss arising out of any performance of the Contractor’s obligations under this Agreement or related to actual or alleged breach of duty, neglect, error, misstatement, misleading statement or omission, any breach of network security, any privacy breach or transmission of malicious code. Coverage is to include the Contractor’s employees and employees of any subcontractor the Contractor uses to provide Services (if applicable) as named insureds. The Contractor shall ensure that the policy is renewed continuously for a minimum period of five (5) years following the expiration or early termination of this Agreement.
- d) Automobile insurance with an insurer licensed to do business in Canada with limits of not less than \$2 million combined single limit per accident for bodily injury (including death), statutory accident benefits and property damage per occurrence.
- e) Worker’s compensation coverage for all employees engaged in the Services in accordance with the statutory requirement of the province, territory or state in which the Services are being performed.

Other Conditions

If there are any changes in the Services provided under this Agreement, the Contractor must notify its insurer of the change in the Services and must ensure that the insurance remains in full force and effect. In light of such change, CMHC reserves the right to change the minimum insurance coverages set out above.

All insurance policies required to be maintained by the Contractor pursuant to this Article shall be primary with respect to this Agreement and any valid and collectible insurance of CMHC shall be excess of Contractor’s insurance and shall not contribute to it.

The Contractor shall forward to CMHC, within seven (7) business days of signing this Agreement, and for each renewal thereafter, a Certificate of Insurance evidencing the insurances required as per this Article.

All Certificates of Insurance shall mention that insurers will provide CMHC with at least thirty (30) days' written notice prior to cancellation of any insurance referred to under this Article. In addition, the Contractor shall provide written notice to CMHC forthwith upon learning that an insurer described in this Article or Contractor intends to cancel, or intends to make or has made a material change to, any insurance referred to in this Article.

Without in any way restricting CMHC's discretion to grant or withhold its consent to a request to subcontract pursuant to Article 1.8 herein, the Contractor agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with this Agreement to maintain insurance as required under this Agreement.

It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under this Agreement. All insurance policies shall be provided and maintained by the Contractor at its own expense.

4.12 No Limitation

No specific remedy expressed in the Agreement is to be interpreted as limiting the rights and remedies which CMHC may be entitled to under any Agreement or otherwise in law.

4.13 Non-Compliance

If the Contractor fails to comply with a direction or decision of CMHC properly given under the terms of the Agreement, CMHC may take such actions and incur such costs that are reasonably required to implement its direction including, without limitation, the engagement of another contractor and withholding of payment due to the Contractor for Services rendered, which moneys may be set off by CMHC against any expenses that it may incur in remedying a default or failures as described above.

4.14 Force Majeure

In the event that a Party is prevented from fulfilling its obligations under the terms of the Agreement by a force majeure or act of God (an event or effect that cannot be reasonably anticipated or controlled) ("Force Majeure"), the impacted Party shall notify the other Party in writing as soon as reasonably possible. The written notice shall be sent by registered mail and shall outline the circumstances that constitute a Force Majeure, which may include, but are not limited to, war, serious public disturbances, impediments arising from orders or prohibitions of public authority, actions of public enemies, strikes,

lockouts and other labour disputes, riots, flooding, hurricane, fire, explosion or any other natural disasters over which the Party has no reasonable control.

Where CMHC concludes, in its sole discretion, that the Contractor will not be able to fulfill its obligations under the Agreement, CMHC may secure the services of other qualified Contractors to perform the Services without further compensation or obligation to the Contractor.

4.15 Non-Waiver

Failure by either party to assert any of its rights under the Agreement shall not be construed as a waiver thereof.

4.16 Resolution of Disputes

- (a) Any issue concerning this Agreement and/or Statement of Work, will initially be addressed by each Party's representatives as contemplated in the Statement of Work under which the disagreement has arisen. If the Parties are not successful in resolving an issue pursuant to such process, or if the issue is material and either Party believes the Parties will not be successful resolving such issue or dispute pursuant to such process, then either Party may issue a formal written notice (a "Dispute Notice") that a dispute ("Dispute") has arisen and subparagraph (b) below will apply.
- (b) Except for Disputes involving CMHC Information or the infringement or misappropriation of intellectual property rights (in which case either Party will be free to seek available remedies in any forum), if the Dispute is unresolved by each Party's representatives (identified in the applicable Statement of Work) within ten (10) days after the issuance of the Dispute Notice (or such other period of time agree to in writing by the Parties) then either Party may institute formal legal proceedings.

4.17 Continued Performance

Contractor agrees to, at CMHC's request, continue performing its obligations under this Agreement while any Dispute is being resolved, without limiting either Party's rights set forth in this Agreement to terminate this Agreement or any Statement of Work.

4.18 Laws Governing Agreement

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada as applicable. The parties attorn to the jurisdiction of the Federal Court or the courts of the Province of Ontario as appropriate in the circumstances.

The Contractor shall give all notices and obtain all licenses, permits and authorizations required to perform the Services. The Contractor shall comply with all the laws applicable to the services or the performance of the Agreement.

4.19 Report

Where a report is to be prepared, it shall be submitted to CMHC in a time, manner and form as prescribed by CMHC.

4.20 Joint Venture

In the event the Contractor is a party to a joint venture with one or more entities or persons for the provision of Services to CMHC, all parties to the joint venture shall execute this Agreement and hereby agree to be jointly and severally liable to CMHC for the acts and omissions of all other parties to the joint venture and all agents and subcontractors either directly or indirectly retained by the joint venture in the provision of Services to CMHC.

The Contractor shall provide CMHC with a copy of any agreements governing or relating to the joint venture providing the Services to CMHC prior to the execution of this Agreement.

The Contractor shall designate a contact person for one of the parties participating in the joint venture as the contact person who shall communicate with CMHC with respect to any and all aspects of the provision of Services to CMHC under this Agreement. All communications between the joint venture and CMHC will be directed through such contact person.

In the event a corporation is formed for the delivery of Services to CMHC by a joint venture, CMHC reserves the right to assess the corporate structure and obtain any guarantees or other security as deemed appropriate by CMHC in its sole discretion.

4.21 Official Languages

MANDATORY

The Contractor acknowledges and understands that CMHC is governed by the *Official Languages Act* and follows related Treasury Board Policies. The Contractor agrees to take any measures necessary to ensure compliance with the *Act* and those policies. When providing services to or communicating with CMHC employees, in person, over the phone or in writing (including electronic correspondence), the Contractor must actively offer bilingual services in and indicate clearly by verbal and/or visual means that employees can communicate with and obtain available services in either English or French. The Contractor must also ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

4.22 Access to CMHC Property

The Agreement does not provide automatic access to CMHC premises. Where specified in the Agreement CMHC agrees to permit access by the Contractor's employees, agents and subcontractors onto CMHC premises for the purpose of fulfilling its obligations as per the terms of this Agreement. However, CMHC reserves the right to refuse entry of such persons for operational reasons. CMHC also will have the right at any time to remove from and/or refuse entry to its premises any incompetent or intemperate person, or any person who violates CMHC Safety and/or Security regulations or interferes with CMHC operations at the site.

4.23 Suspension of Services and Changes in Specifications

CMHC may, at any time and from time to time, order a suspension of the Services in whole or in part, and make modifications of, changes in or additions to the specifications of the type of Services offered and methods of delivery. All directions given by CMHC in writing with respect to the foregoing shall be complied with by the Contractor. If any such suspension, modification, change or addition results in an increase or decrease in the cost of the Services, the amount in Article 3.1 shall be adjusted accordingly, provided that the Contractor shall in no event be entitled to compensation for any loss of anticipated profits and provided further that minor increases or decreases in cost shall be disregarded.

4.24 Miscellaneous - Other Work

Except as otherwise provided in the Agreement, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by CMHC.

4.25 Assignment of the Agreement

The Agreement shall not be assigned in whole or in part by the Contractor without the prior written consent of CMHC, which may be withheld for any reason. No purported assignment of the Agreement shall relieve the Contractor from any obligation under the Agreement or impose any liability upon CMHC.

4.26 Closure of CMHC Offices or Suspension of Operations

Payment to the Contractor may be suspended or modified by CMHC, or instructions to the Contractor may be delayed where (i) CMHC premises become inaccessible due to evacuation or closure because of events or circumstances beyond the control of CMHC, (ii) the health or safety of persons on the premises may be reasonably determined by CMHC, in its sole judgment, to be at risk, or (iii) CMHC operations are suspended. Where the Contractor provides satisfactory evidence to CMHC that the Contractor will continue to incur monetary obligations to others directly as a result of its undertakings under this Agreement and is unable to mitigate its losses due to such obligations, CMHC may continue payment in full, or at a reduced amount, or suspend payment completely.

4.27 Severability

If any part of the Agreement is determined to be unenforceable by a competent authority, it may be severed from the Agreement so as to preserve the intentions of the Parties to the extent possible.

4.28 Binding

This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors and assigns.

Article 5.0 - Business Interruption Planning

5.1 The Contractor will comply with the Business Interruption Requirements set forth in Schedule "D". For purposes of this Agreement, "Business Interruption" means an event, whether anticipated or unanticipated, including any event of Force Majeure, which disrupts the normal course of business operations within an organization.

5.2 The Contractor will immediately report to CMHC:

- (a) any significant changes to the Contractor's business resumption and contingency plans; and
- (b) any event that may have the potential to materially affect the delivery of the Services or result in CMHC losses or delay.

5.3 Upon request by any Governmental or Regulatory Authority CMHC may provide a summary of any Business Interruption and disaster recovery test results provided by the Contractor to CMHC in connection with this Agreement to such Governmental or Regulatory Authority.

Article 6.0 - Agreement Administration

6.1 Contract Administrator

Each Party shall assign a contract administrator that will be responsible for overseeing the Agreement. The individuals named in Article 6.2 are the initial agreement administrators.

The Parties shall notify the other in writing in the event that the contract administrator is changed. CMHC will notify the Contractor in writing of the names of any CMHC representatives who are authorized to assign jobs and approve payments with respect to the work carried out under this Agreement.

6.2 Notices

All invoices and notices issued under the Agreement shall be in writing and shall be forwarded via mail, courier or e-mail:

To CMHC at the following address:

Canada Mortgage and Housing Corporation

Name [Click here to enter text.](#)

Title [Click here to enter text.](#)

Room [Click here to enter text.](#)

700 Montreal Road

Ottawa, Ontario

K1A 0P7

Phone: [Click here to enter text.](#)

Fax: [Click here to enter text.](#)

Email: [Click here to enter text.](#)

To the Contractor at the following address:

[Click here to enter text.](#)

[Click here to enter text.](#)

[Click here to enter text.](#)

[Click here to enter text.](#)

Phone: [Click here to enter text.](#)

Fax: [Click here to enter text.](#)

E-mail: [Click here to enter text.](#)

6.3 Amendment

The Parties may revise, amend, alter or otherwise change the nature and scope of some or all of the Services from time to time during the term of this Agreement by their mutual agreement in accordance with this Section, including without limitation: (i) the addition, termination or modification of Services; or (ii) any other changes that alter the scope of this Agreement or the nature of the Services. All such changes shall be made in writing and executed by the Parties herein.

Article 7.0 Documents comprising the Agreement

7.1 The documents which comprise the entire agreement between the Parties with respect to this matter consist of the following:

- (a) This form of Agreement as executed [Click here to enter text.](#);
- (b) CMHC's Request for Proposal dated [Click here to enter text.](#);
- (c) The Contractor's submitted Proposal dated [Click here to enter text.](#); and

together with all written instructions, guidelines or change notices issued by CMHC hereunder and such further specifications and documents as the parties may agree in writing.

- a. The documents comprising the Agreement are complementary and what is called for in any one shall be binding as if called for by all. The Agreement documents shall be interpreted as a whole and the intent of the whole shall govern. In the event of a conflict between them, the Agreement documents shall have precedence among themselves in the order as listed above.
- b. This Agreement contains all of the agreements of the Parties and no other representations or warranties, verbal or otherwise, exist between the Parties except those set out herein or attached as Specifications, Conditions and Addendum and signed by both Parties. In case of conflicts between the Contractor's documents and CMHC's documents, the latter shall govern.

IN WITNESS WHEREOF this Agreement has been executed by duly authorized officers of the Parties as follows:

THE CONTRACTOR

CANADA MORTGAGE AND HOUSING CORPORATION

[Click here to enter text.](#)

[Click here to enter text.](#)

[Click here to enter text.](#)

[Click here to enter text.](#)

[Click here to enter text.](#)

Date: _____

Date: _____

SCHEDULE "A"

TERMS OF REFERENCE

1. Scope of Work

The purpose of this RFP is to select one or more suppliers as claims service provider(s) to provide or arrange the following services to CMHC under the ECS process ("Claim Service Provider" or "CSP"):

- 1) Legal;
- 2) Securing and Property Management; and
- 3) Marketing and Sales of Property.

The services provided as outlined in this Statement of Work will be provided by the CSP and its employees and agents (if any), in accordance with all applicable laws and in accordance with CMHC's Policy, as may be amended from time to time.

The CSP is responsible for managing requests and taking direction from CMHC and any CMHC designated party for these services. The CSP must ensure that the distribution of the work amongst any of the CSP's agents is completed in an appropriate, efficient and cost-effective manner.

The CSP will be required to provide the services under this RFP on a national basis, since properties under ECS may be dispersed throughout all provinces and territories in Canada. Accordingly, CMHC recognizes that the CSP will need to have contractual arrangements with other entities in order to meet these objectives and the CSP may be requested to provide copies of such contracts to CMHC, upon request. The CSP will be responsible for its employees, agents and subcontractors, including any engaged in order to provide services under this RFP. The CSP itself, as well as any employees, agents or subcontractors of the CSP must be licensed, insured, certified and/or otherwise qualified to provide services in the respective jurisdiction.

The CSP will be required to deal with various types of properties under this Statement of Work including, but not limited to: fee simple, leasehold, tenanted and mobile/manufactured/modular homes. The CSP shall be competent and knowledgeable about the registration requirements for these various property types, including, but not limited to PPSA/personal property security legislation, mobile/manufactured/modular home registries, dual registry systems and the Indian Land Registry.

The CSP may be responsible for preparing and filing ECS claims to CMHC on behalf of the Approved Lender as specified by CMHC. The CSP may also be responsible for filing other insurance claims in relation to the mortgage and/or property on CMHC's behalf where CMHC has been assigned the benefits of such insurance from the Approved Lender.

The CSP will invoice CMHC directly for all services provided in accordance with this Statement of Work in a manner and form acceptable to CMHC provided that such services are for eligible claims. The CSP will invoice CMHC after a sale of property is completed/closed. CMHC may, in certain circumstances, permit the CSP to invoice CMHC before a sale is completed – i.e. where, due to circumstances beyond the control of the CSP, the property is not able to sell. Further requirements are detailed in section 3.3.5 Final Accounting and Proceeds.

It is the responsibility of the CSP to have servicing system connectivity with all Approved Lenders for the purpose of managing the ECS. Requirements are detailed in section 3.3.10 Technical Requirements.

Legal Services

Regulatory Requirements

The CSP is expected to provide legal services on a national basis, complying with all applicable legislation, regulations, court procedures, and rules of professional conduct in the respective jurisdiction. Any employees, agents or subcontractors of the CSP must be licensed, insured, in good-standing and competent to provide legal services and advice to CMHC in the respective jurisdiction.

Instructions to Claim Service Provider

Depending on the stage of a file in the ECS, the CSP may be instructed by CMHC or a CMHC designated party, as determined by CMHC and the Approved Lender. After CMHC pays the Approved Lender's claim and obtains vacant possession/right to sell the property, the CSP will take instructions exclusively from CMHC, though the CSP may still be required to contact and/or share information with the Approved Lender.

Solicitor-Client Relationship

All communication in respect of legal services and advice between the CSP and CMHC or Approved Lender shall be confidential and subject to solicitor-client privilege. Where the CSP has subcontracted to an agent the provision of legal services or advice because the CSP is not licensed and insured to provide legal services and advice, the CSP, CMHC, and Approved Lender together, may enter into a joint retainer with the agent legal service provider to preserve the solicitor-client relationship and privilege.

Conflicts of Interest

The CSP must avoid all conflict of interests. In the event of a conflict of interest, the CSP must notify CMHC and manage the conflict of interest in a manner acceptable to CMHC.

CMHC retains all discretion to direct file allocation among CSPs or among the CSP's agents or subcontractors, where necessary, to avoid or manage conflicts of interest.

Scope of Legal Services

The CSP shall provide legal services in respect of mortgage enforcement and property disposal. Without limiting the generality of the foregoing, the CSP shall provide the following:

1. Due Diligence and Searches

Prior to initiating mortgage enforcement and any legal proceedings, the CSP shall:

- Review the Approved Lender's loan file documentation to confirm status of loan default, validity of mortgage, security or any other security interests and related loan documentation;
- Complete a title including a search of any liens and other encumbrances registered against the property (including writs of execution or equivalent against the Borrower). The CSP will advise CMHC immediately of any title issues that could result in CMHC not having Good and Marketable Title under CMHC's Policy with the Approved Lender. Depending on the title defect, the CSP may be required to:
 - Seek additional information/clarification from the Approved Lender;
 - Recommend that the title issue(s) precludes proceeding with mortgage enforcement;
 - Seek approval from CMHC to rectify the title issue(s); and/or
 - Recommend such other action(s) as may be appropriate in the circumstances.
- Where the mortgaged property is a mobile/modular/manufactured home or is otherwise a chattel, obtain and review *Personal Property Security Act* (PPSA) searches;
- Complete off-title searches where necessary to determine if the property is clear and marketable, free from registered, unregistered or statutory liens. Off-title searches may include a search on the status of condominium common expenses (where applicable), realty/property taxes and water charges (to avoid tax sales) and judgment searches against the Borrower in judgment registries in jurisdictions where such judgment registration may bind the CMHC-insured property. The CSP shall confirm or otherwise arrange for the payment of any item that can result in unregistered or statutory liens, including but not limited to water arrears, taxes, condominium common expenses.

2. Legal Enforcement Proceedings

The CSP must initiate or continue to pursue all appropriate legal enforcement proceedings to collect the mortgage loan, realize on the security in a timely and cost-efficient manner, obtain a deficiency judgment against the Borrower (where advisable) and file proof of claims if there has been a filing for filing for bankruptcy or consumer proposal/proposal or CCAA.

i. Assessment of Legal Remedies

The choice of legal remedy should be made by the CSP or the AL, depending on the relationship with the AL, on a careful assessment of the facts and circumstances of each situation. Where feasible and appropriate, the CSP is expected to pursue a deficiency judgment against the Borrower in accordance with CMHC's Policy. The CSP shall follow the applicable legislated mortgage enforcement process and steps in the respective provincial and territorial jurisdiction as generally described in **Schedule "A" – Legal Proceeding by Jurisdiction**, which may be modified in consultation between CMHC and the CSP. Where the CSP recommends otherwise, considering the factors below and any other relevant considerations in the circumstances, the

CSP will advise CMHC immediately and obtain approval from CMHC and the Approved Lender where applicable. The following criteria should be considered by the CSP:

- Any preferred mortgage enforcement process received from the Approved Lender;
- The likely degree of co-operation from the borrower;
- The current worth of the Borrower's covenant, as provided by the Approved Lender;
- The current estimated property value, taking into account the remaining economic life of the asset;
- Real estate market conditions;
- The costs in interest, property maintenance, and legal fees and disbursements of each option;
- The number and amounts of any encumbrances ranking prior to or after the mortgage;
- Environmental concerns relating to the property;
- Time limitations that may limit the ability to obtain judgment;
- Suspected misrepresentation or fraud at any stage of the loan;
- Whether the property is real property or chattel (e.g. mobile home); and/or
- Whether the Borrower has filed for bankruptcy or consumer proposal/proposal or CCAA.

With approval from CMHC, the CSP may be required to refrain from realizing on the mortgage security/walk away and/or accept a quit claim or voluntary transfer where it may not be advisable to proceed. The CSP must provide a reasoned recommendation to the Approved Lender and CMHC on available options based on an analysis of both financial and non-financial considerations and CMHC's policies when seeking CMHC approval to not realize on the mortgaged security.

ii. Termination of Mortgage Enforcement Proceedings

CMHC or the Approved Lender (subject to CMHC's approval) may instruct the CSP to postpone or discontinue mortgage enforcement proceedings and any associated legal actions if the Borrower has redeemed the mortgage and satisfactory arrangements have been made with the Approved Lender to pay costs and all payments in arrears to remedy the default.

iii. Communications with Mortgagors, Guarantors and their Solicitors

From the commencement of any default management steps by the Approved Lender, the CSP may be in communications with such Borrowers and their solicitors if they attempt to make arrangements to remedy their default or if they contact the CSP for any other reason in relation to the loan under default.

iv. Transfer of Right to Realize on Security/Property or Transfer of Property from Approved Lender to CMHC

The CSP must complete all tasks necessary to effect the transfer of the right to realize the mortgaged property/collateral from the Approved Lender to CMHC. CMHC shall direct the CSP

as to the method of transfer from the Approved Lender to CMHC. Without limiting the generality of the foregoing, the CSP shall prepare all title transfer documents including and where applicable an assignment of the mortgage, deed or bill of sale of the mortgaged property/collateral from the Approved Lender to CMHC. The CSP shall also obtain court orders as necessary, and prepare the court filing and registration of documents at land registries.

v. Securing the Right to Sell the Property

The CSP is expected to secure for CMHC the right to sell the property. The CSP must comply with applicable provincial or territorial legislation governing mortgage enforcement of real and personal property, with a goal of preserving the ability to obtain a judgment against the Borrower.

The CSP must avoid taking any action in which the Approved Lender or CMHC might be deemed to be an owner, mortgagee in possession or occupation, or in management or control of the property, in cases where it may be inadvisable to do so (e.g. such as to avoid attracting possible liability to CMHC due to environmentally contaminated properties). In such circumstances, the CSP must assess and provide a written recommendation of the situation to the Approved Lender and CMHC and seek instructions/approval from CMHC before proceeding.

vi. Eviction and/or Existing Tenancy

In some cases, the CSP may be required to obtain vacant possession of the property by eviction of the occupants. Without limiting the generality of the foregoing, the CSP is expected to prepare and serve the applicable notices, attend hearings, obtain eviction orders, and engage the services of a sheriff or other authorized party to enforce orders.

There may be cases where the occupants are permitted to remain in the property in accordance with CMHC's Policy. Accordingly, the CSP is expected to determine the validity and terms of any existing leases, prepare all documents and complete all tasks necessary to enable CMHC to collect rents (whether by attornment or otherwise as landlord) and to obtain the cooperation of the tenant with respect to the property inspection, appraisal, maintenance and showings of the property by real estate agents. Where permitted by legislation, residential leases with existing tenants should be on a short term basis.

vii. Obtaining Deficiency Judgment and Writs of Execution

The CSP must obtain a deficiency judgment against the Borrower for the total, legally recoverable amount. The CSP must ensure that the judgment remains valid and enforceable for the benefit of CMHC. The CSP shall assign judgments granted to the Approved Lender to CMHC. The CSP shall also file writs of execution or equivalent against the Borrower in the applicable registry to bind the Borrower's real or personal property.

The CSP shall provide CMHC a summary and recommendation, and obtain CMHC's approval, where the CSP advises against obtaining a deficiency judgment. The CSP's summary and recommendation must be supported by reliable information (e.g. up-to-date credit reports, credit applications, bank accounts and billing addresses) and establish the financial

circumstances of the Borrower and property value. Judgment should be obtained in every instance where misrepresentation, fraud or illegal activity by any Borrower is suspected (e.g. marijuana grow-op, clandestine drug labs or straw buyers) and in all cases where it is suspected that information on the loan insurance application was misrepresented.

The CSP must be alert to reasonable settlement offers at all stages of the legal action prior to judgment being obtained. The CSP must obtain approval from the Approved Lender and CMHC, as appropriate, to settle.

viii. Bankruptcies and Consumer Proposals

The CSP shall notify the Approved Lender and CMHC, as appropriate, and file proof of claims where the Borrower has filed for bankruptcy or consumer proposal/proposal or CCAA.

Upon the reasoned recommendation of the CSP, and with CMHC's approval, the CSP may obtain for CMHC the right to sell the mortgaged property by obtaining a deed of the property from the bankruptcy trustee to the Approved Lender or CMHC.

ix. Specific Instructions Required

The CSP will notify and obtain approval from the Approved Lender and CMHC, as appropriate, for specific instructions on material issues, including:

1. Any known or suspected environmental contamination;
2. Claims/counterclaims against the AL, including Statement of Defence from the borrower;
3. The borrower redeems the mortgage or is able to bring the mortgage into good standing;
4. The borrower wants to sell the property directly;
5. Property insurance coverage issues;
6. Tenanted properties, including an analysis of the current tenancy situation, any concerns with the existing tenant/tenancy, advisability of attorning rent, and options for proceeding (e.g. selling property with tenant, evicting tenant etc.);
7. Allegations of fraud;
8. Sales where a surplus may/will be/has been realized;
9. Any communication(s) received from the media or borrower threats to contact the media.

x. Sale and Conveyance of Property by CMHC to Third Party Purchasers

The CSP is expected to communicate with property managers and real estate brokerages/agents as necessary in anticipation of the property being listed for sale. Upon the sale of the property by CMHC to a third party, the CSP will provide standard real estate closing services, including but not limited to, dealing with the purchaser's solicitor, preparing all necessary documentation, responding to requisitions and other closing requirements. CMHC may provide certain preferred forms of documentation, which may be amended from time to time. Non-standard issues/concerns/matters may be escalated to CMHC for specific instructions on a case-by-case basis.

Non-Standard Legal Services beyond the Scope of this Statement of Work

When services determined to be outside the scope of this Statement of Work are required, the CSP and CMHC will agree to a payment arrangement based on an agreed upon hourly rate or a budget to be determined according to the circumstances.

2. Requesting an Appraisal

The CSP must order an appraisal for each subject property as soon as possible once the property has been fully secured and once it has obtained the right to sell and/or vacant possession. CMHC would normally expect the CSP to obtain only one appraisal, assuming a 120 day market exposure, accompanied by a Comparative Market Analysis (CMA) report at the time of property securing. The following outlines CMHC's expectations in regards to an appraisal:

- The CSP must ensure the appraisal report indicates an "as is where is" value;
- For all properties where the estimated replacement value to be more than \$250,000, replacement value is required within the appraisal;
- Upon completion of the appraisal, the CSP will be responsible for paying the appraisal invoice;
- Where specific jurisdictions require additional appraisals, or in exceptional cases, where the CSP has concerns with the value of a property, and/or the CMA is not an adequate second opinion for the courts and/or the CSP advises it is needed for other identified reasons, an updated appraisal may be necessary and the cost of such an updated appraisal may be recognized by CMHC, in advance and approval sought;
- Notification of Advice to File Claim: Upon completion of property being secured and receipt of appraisal the CSP will:
 - Forward the appraisal and all property managers' reports (e.g. securing report) to CMHC;
 - Advise CMHC as soon as the file is ready to be prepared and assessed for claim payment;
 - Contact the AL and provide a copy of the Appraisal.

3. Securing the Property

Once in a legal position to do so, the CSP will immediately appoint and/or instruct a qualified property manager to complete a security visit for the purpose of completing an initial inspection in order to arrange such items as:

- Changing the locks;
- Reconnecting utility services;
- Other preservation/protection; and
- Identifying any health and safety concerns, environmental concerns or other deficiencies/concerns/issues that may be apparent on this initial visit and CSP will notify CMHC of same.

If the property manager observes any significant issues that would prevent the marketing of the property or place CMHC and/or the AL at risk including but not limited to environmental issues, insurable perils, etc. the property will not be secured and the CSP will report to CMHC and include their recommendations on next steps. CMHC will review and provide instructions on how to proceed.

If vacant and if advisable, the CSP will secure the property and complete a securing report. The property will be cleaned and, if possible, listed immediately in order to accelerate the sale process provided this is advisable and permitted by law.

In cases where the property was previously secured by or on behalf of the AL, the CSP is expected to coordinate with the existing property manager.

It is expected that the CSP's property manager will change the locks and provide details of the general condition of the property, including vandalism, freeze up/ water damage, environmental concerns in a format suitable to the CSP, which will be shared by the CSP with CMHC (e.g. securing report).

Photographs must be taken at the time of securing the property of:

- 1) the exterior of the property;
- 2) the interior of the property;
- 3) contents found whether on the interior or exterior of the property;
- 4) any health and safety concerns, environmental concerns (including oil tank and oil tank identification plate, if applicable) or other deficiencies/concerns/issues identified;
- 5) mobile/modular/manufactured home identification plate showing make, model and serial number (if applicable); and
- 6) any additional photographs which may be deemed relevant by the property manager or CSP or requested by CMHC or the AL.

Photographs before and after "move out" by the mortgagor(s) and / or tenant(s) must also be taken. All photographs must be in colour and labelled so that viewer of the photo can easily identify what area/room of the property is represented by the photograph and identify any particular items of concern/interest.

All photos are to be loaded onto the CSP servicing system. In addition, photographs of contents must indicate where the contents are located. Should the quality of the photographs not be acceptable to CMHC or the AL, the CSP must re-attend at the property and provide replacement photographs at no cost to CMHC. Photographs are intended to demonstrate the condition of the property and contents only and should not focus on "personal" property of the occupant including personal and family photos, pictures, diplomas etc. unless advisable by the property manager or the CSP, having regard to the circumstances.

The CSP is expected to be knowledgeable about and comply with provincial and territorial legislation and industry practice in regards to securing properties, removing personal belongings, evicting tenants etc. when enforcing mortgage security and act in accordance to applicable legislation.

4. Property Management and Repairs

The effective and prudent management of homeowner properties where the mortgage is in default is an important responsibility. If appropriate steps are not taken, the property value may be adversely affected.

The CSP must take all necessary precautions to protect the property from damages where:

- CMHC or the AL has become mortgagee in possession or owner by way of title transfer;
- The property becomes vacant or abandoned while the insured loan is in default or during legal action.

The CSP will retain a qualified property management company who will be responsible to complete the property management activities detailed in this RFP for both unoccupied and occupied properties.

Unoccupied (Vacant or Abandoned) Properties:

If abandonment is confirmed, the CSP must make a security visit to the property. The CSP should take reasonable and prudent action(s) to protect and preserve any vacant or abandoned properties until they have been sold.

The CSP should advise on any necessary measures to ensure that the AL has the required legal authority to take any proposed actions under the mortgage to protect the security. Depending on the jurisdiction where the property is located, the CSP must determine if prior court authority is required before taking action to protect the property.

Protection/ Preservation Measures: General measures are required in the protection and preservation of vacant or abandoned properties such as:

- Securing windows and doors to prevent unauthorized entry;
- Performing a minimum number of security checks (set out below), including inspection of all windows and doors, confirmation of power being turned on, checks of plumbing and heating systems including if applicable the oil tank (interior and/or exterior), oil supply lines, oil furnace, etc. for any indication or evidence of leaks;

Minimum Number of Security Checks	
Once per week	October to April (both months inclusive)
Bi-weekly	May to September (both months inclusive)
more often if appropriate or as requested by CMHC	

- Security Check List will be placed in each property to record security checks and other inspections that are completed. Original Security Check List is to remain in the property. CSP may be requested to forward copies of the Check List to CMHC. (required for QA purposes);
- Boarding up windows in remote areas, or in cases where vandalism has occurred or is likely to occur. In areas where there is a high occurrence of vandalism, it may be advisable to request the cooperation of the local police department so that patrol activity is increased on streets where vacant properties are located;
- Ensure that conditions are safe for persons entering the premises at all times;
- Replacing broken glass to protect the interior against vandalism and the weather, protecting plumbing and operating systems against damage by freezing;
- Replace burnt out or missing light bulbs with 60 watt light bulbs. Replacement bulbs are to be supplied by the CSP;
- Implementing temporary measures to protect interiors against damage from leaking roofs;
- Removing any refuse and ensure property is kept safe, secure, clean and presentable at all times. [Cleaning and other costs are to be approved by CMHC in advance.];
- Perform lawn cutting services to ensure grass does not exceed 10cm in height at any time;
- Remove snow/ice as indicated in the table below:

Parking areas	The driveway is to be cleared to allow access for at least one vehicle.
Walkways	Walkways must be removed of snow to a minimum width of 60 cm. The following walkways are required: <ul style="list-style-type: none"> • From the driveway to the main entrance of the property • To the electrical meter • To the oil tank • To all outbuildings, sheds and garages.
Oil Tanks	Fill pipes and lines must be clear of snow.

- Organize meetings/arrangements with representatives of utility companies or contractors at properties to facilitate meter readings and/or other services required;
- Maintaining heat during the winter season or at other times if there is a risk of damage from frost or moisture;

- Winterizing/de-winterizing of plumbing as required. Winterize the water system by proceeding as follows:
 - Drain the plumbing system (water supply and drainage pipes). Blow out the pipes, if necessary;
 - Drain all the plumbing appliances;
 - Supply and add antifreeze (and not liquid windshield washer fluid) to the plumbing in the toilet bowls and drainage traps to allow eventual reuse of this equipment;
 - Top up antifreeze as required;
 - Affix a label to all plumbing appliances and electrical panels to the effect that the winterization has been performed.
- Coordinating repairs authorized by CMHC, including obtaining estimates. Perform final inspection upon completion of work/repairs and confirm compliance with CMHC approved scope of work. Provide a minimum of two pictures of the completed work;
- Advise CMHC on any other matter or action that the property manager or CSP having regard to the circumstances;
- The CSP shall take all necessary steps to turn on the water system to facilitate a water test or home inspection. The CSP shall ensure the water system will not be left vulnerable to potential freezing or damage during and after the water sampling. This may include re-winterization if necessary;
- The CSP should consult with CMHC to clarify which costs related to inspection and securing of the property can be included in the amount of the judgment sought against the borrower.

NOTE: Notwithstanding the above, it is expected that the property manager and CSP will comply with all laws, including municipal by-laws related to property management. Where a by-law(s) may have more stringent requirements than those listed above (e.g. grass cutting and snow removal requirements), the by-law prevails and must be followed.

Tenant-Occupied Properties:

Each tenant-occupied property is unique and will require its own analysis, however, the CSP will generally be responsible for the following:

- Advise of any tenancies and of options with tenant-occupied properties (e.g. assessment of validity of existing leases, if leases agreements should be prepared and/or rent should be attained, or if vacant possession should be obtained, or other action pursued);
- Determine if there is a lease agreement in place; obtain and provide tenant information as well as a copy of any lease and/or the terms of the lease. If rent is under market value, the CSP will report to CMHC of the legal action required and the costs;
- Manage access to the property in accordance with the applicable tenancy legislation;
- Prepare standard leases and/or collect rent or obtain vacant possession, all in accordance with applicable provincial landlord and tenant legislation, as instructed. This includes initiating and pursuing all reasonable legal actions and proceedings as necessary to

recover any arrears of rent or security deposits or to evict any tenant and recover possession of the property. Costly and time-consuming process are not required, but can be entertained by CMHC on a case by case basis on the CSP's recommendation to CMHC;

- Provide and respond to afterhours emergency and maintenance items;
- Act as primary contact with the tenant;
- Resolve all disputes with the tenant prior to the property being transferred/assigned to CMHC through practical and reasonable steps, and advising CMHC throughout;
- Secure the property and clean and remove debris to ensure property is in marketable condition, should the property become vacant;
- Provide vacancy report at the end of the first working day of the month by address and type of unit and provide rental arrears report on the last day of the previous month showing:
 - a) Tenant's name and address;
 - b) Number of months in arrears.

NOTE: CSP to ensure any action taken meets the requirements in applicable tenancy legislation.

To remediate and sell the property, according to the following guidelines:

- **Property Repairs for Sale of Property:** The CSP must exercise reasonable care and prudence in protecting the loan security both during and after legal mortgage enforcement proceedings. The CSP will coordinate repairs, including obtaining cost estimates and perform final inspection upon completion of work/repairs to confirm work was completed according to the specification. Any repair estimates exceeding \$3,000 will require pre-approval from CMHC;
- Prior to placing the property on the market, the CSP should determine what repairs are needed;
- Property repairs include the following:
 - basic preparation of the property for "as is, where is" marketing and sale; and
 - health and safety issues that pose an immediate threat or risk to safety.
- Costs associated with packing and storing personal belongs are in addition to the property repair costs. No pre-approval for packing and storing personal belongings is required;
- CMHC expects the CSP to implement protective measure to avoid receiving quotes from different suppliers that are owned by the same individual or entity;
- The CSP will retain on file "before" and "after" photographs relating to all completed repairs;
- In event, that damage to a property from an insured peril occurs after possession, but prior to claim settlement, CMHC is to be advised immediately.
- **Emergency Repairs:** Emergency repairs are unforeseen and unscheduled repairs which are required to:
 - Ensure property is safe for persons entering the property;
 - Protect property from fire;
 - Repair damage caused by catastrophic events.

The CSP does not need prior CMHC approval for such repairs or expenses. However, it must obtain pre-approval from CMHC if the expenses exceed \$10,000 per file, for a house or condominium unit directly affected by the emergency.

Pre-approval requests must include:

- Details of the damage requiring emergency repairs or expenses resulting from a catastrophic event;
- Details of the temporary work completed, the cost to date, and the estimated cost to complete the work;
- A recommendation, including the cost benefit, for the scheduling of any remaining repairs.
- The CSP is expected to attend to emergency repairs and expenses in a cost effective manner;
- The CSP will retain on file "before" and "after" photographs relating to all completed repairs.
- **Utility Payments:** The CSP must notify the utility companies (water, gas, hydro, etc.) that it has taken over the property and will be making the utility payments as of the date of possession. The CSP will also be responsible to pay property tax invoices associated with the properties.
- **Realty/Property Taxes and Condominium Common Expenses:** The CSP must determine the status of realty taxes and arrange to pay realty tax invoices associated with the properties and pay realty tax arrears (if any). In addition, the CSP must determine the status of condominium common expenses and arrange to pay condominium common expense arrears (if any).
- **Damage to the Property Post Claim Payment:** In the event a property is damaged as a result of a property manager's negligence, the CSP is expected to recover and complete necessary repairs to bring the property to the stage prior to the damage, at CSP's expense and to do so in a timely manner.

In the event a property is damaged, not as a result of a property manager's negligence, CMHC expects the CSP to provide a recommendation on how to proceed.

5. Marketing and Sales

Selection of Real Estate Agent and Marketing: In selecting a marketing agent, the CSP will ensure that listings are provided to licensed real estate agents only.

- The real estate agent must agree to list the property on the Multiple Listing Service (MLS) system, where available;

- If no real estate agent is available in a particular market area, the CSP will proceed according to the market norm for that area, always in accordance with reasonable due diligence and while exercising professionalism;
- All properties are to be listed on the MLS by a licensed real estate agent within one business day of the CSP receiving the signed listing documents from CMHC;
- The listing real estate agent must be willing to provide a Comparative Market Analysis (CMA), and agrees to provide a marketing activity report to the CSP every 30 days;
- A CMA must contain the following market information at a minimum:
 - a description of the property;
 - a comparative analysis of current and recently expired listings of comparable properties;
 - a recent sales data of comparable properties;
 - the average days listed to sales;
 - trends to indicate a buyer's, a seller's or a balanced market; and
 - a recommendation for the listing and selling prices based on an analysis.
- The Marketing Activity Report (MAR) must contain traffic reports as well as feedback from other realtors and/or prospective purchasers. The realtor will provide data to support any recommended amendments to the listing and/or selling prices. The report must also contain the following:
 - information concerning advertising efforts to date;
 - proposed advertising;
 - open houses;
 - a listing of any repairs required to improve marketability; and
 - any other marketing efforts since the last report.
- The CSP must always provide CMHC with the actual commission paid at the time of submitting sales proceeds to CMHC;
- CMHC will acknowledge realty costs for any "sale by borrower" based on what was submitted and in line with market norms.

Establishing the List Sale Price: The selling pricing is to be maximized.

- After analyzing all pertinent information, the CSP will establish a list price, within guidelines provided by CMHC and document the list price on the file;
- The list price must reflect market trends as identified in both the CMA and the appraisal. The CSP will resolve any discrepancies found in the information reviewed. The CSP should consult with the appraiser and/or real estate agent to resolve differences in value of 10% or greater between the appraisal and the real estate agent CMA. The results of these efforts should be documented in the file;
- To set the list price, the CSP will review the entire appraisal, CMA and the inspections reports taking into consideration any factors that may affect marketing;
- In certain jurisdictions, the appraisal requirements for the sale process may be established through the conduct and requirements of a court ordered sale;
- If there is any uncertainty in setting a fair initial listing price, the CSP should contact CMHC with a recommendation and seek approval.

Establishing Minimum Acceptable Sale Price

- In all cases, the list price must be sufficiently higher than the minimum acceptable sale price to allow a margin for negotiation purposes;
- The minimum acceptable sale price shall not be disclosed to the real estate agent;
- CSP can accept a purchase offer at or above the minimum acceptable price.

Listing Agreement: The CSP will complete all aspects of any Listing Agreement(s) for execution by CMHC. All listings are to be submitted to CMHC within five (5) business days of acquiring title to the property. The Listing Agreement between the CMHC and the real estate brokerages must be subject to the following terms:

- While the expectation is to maximize sale price, real estate agents are expected to sell the property “As is, where is”;
- Proper disclosure of any issues has to be made while marketing the property;
- Listing should not indicate that property is a distressed sale or a sale under bank foreclosure and neither the CSP nor the real estate agent should disclose this fact;
- The real estate commission is payable only on the successful completion of the sale transaction to a third party.

NOTE: The CSP will act as the sole liaison between CMHC and all selling real estate brokerages and real estate agents for all properties assigned.

Listing Period:

- **Initial Listing Period:** The CSP must list the property for an initial 120 day listing period within 30 days of CMHC being in a legal position to list the property for sale;
- **Ongoing Review of the Pricing of the Property:** The pricing of the property will be reviewed by the CSP on a regular basis but at a minimum, every 45 days after the initial listing date. By referring to the MAR from the Real Estate Agent, the CSP can make appropriate adjustments to the list price and possibly the minimum sales price within pricing parameters provided by CMHC. CMHC encourages the CSP to revisit the listing price frequently during the list period. The CSP must keep appropriate documentation to demonstrate evidence of these reviews;
- **After Initial Listing Period:** Where the property has not sold within 120 days, the CSP is required to provide CMHC with a recommendation of the most cost-effective property disposal method. Additional appraisals, as warranted are acceptable. Any such recommendation may include, where relevant, consideration to establish a settlement amount with the debtor that takes into consideration a realistic repayment and not the actual deficiency on a property that potentially will be disposed through an alternative method;
- **Listing Renewal:** The CSP will provide the completed listing renewal documents to CMHC representative(s) five (5) business days prior to the expiration of the listing agreement and include any recommended price changes.

Exceptions to Listing: Through sources including, but not limited to, the appraisal and the CMA, the CSP may determine that conditions exist which may warrant an exception to listing the property for sale, if for example:

- A significant incidence of default in a community or condominium project;
- Environmental problems or hazards exist;
 - Where there is a potential for an exception to the listing, except for condominiums, the CSP will contact CMHC to review the situation and provide a decision;
 - Where the property is a condominium, the CSP will obtain the current number of units for sale in the condominium project from both the appraiser(s) and Realtor®. Where the number of units for sale within the particular project may have an impact on the market value or average listing period required to sell each unit, the CSP will contact CMHC in a timely manner to discuss a potential exception to the listing of the property. CMHC will review the situation and provide a decision.

Receiving Offers and Making Counter-Offers/Agreement of Purchase and Sale:

The CSP will review offers, negotiate, prepare counter-offers and submit all offers to the designated CMHC representative immediately. In submitting offers for execution by CMHC, the CSP will confirm that the offer is legally acceptable and meets parameters provided by CMHC. CMHC may delegate to selected persons the execution of documents, on behalf of CMHC, relating to the sale of properties by CMHC to a third party.

The CSP will use caution with respect to offers received during the first 10 days of the listing to ensure that the property has been properly exposed to the market.

The CSP will prepare amendments to Agreements of Purchase and Sales including those in which the buyer is requesting reduction in the agreed upon price due to unsatisfactory inspection results etc. The CSP must take into account and provide analysis of both financial and non-financial considerations when making a recommendation to CMHC for approval.

NOTE: CMHC schedule(s)/addendum(s)/specific terms and conditions must accompany all offers. (Format and/or parameters to be provided by CMHC). CMHC may also require that the form of offer, closing or other documents provided by CSP be amended.

The Purchase and Sale Agreement is subject to the following terms:

- The property is sold in “as is, where is” condition;
- All title defects are disclosed, including any CMHC approved defects or encroachments described on the policy of mortgage loan insurance;
- the real estate sales commission is payable only upon the successful completion of the sale transaction.

Accepting Offers/Closings:

Upon acceptance by CMHC of an offer to purchase, the CSP will take any appropriate and necessary actions to complete the offer, including but not limited to:

- a) Providing written confirmation to CMHC of the waiver of buyer's condition(s);
- b) Monitoring all the conditions included in the offer to purchase and advise CMHC when the conditions are met on or before the condition expiry date, as noted in the offer to purchase;
- c) Acting as the sole liaison between CMHC and purchaser's solicitor to complete all requirements for a successful closing, including responding to questions/requisitions, etc.;
- d) Completing statement of adjustments for the closing;
- e) Obtaining appropriate direction regarding title being consistent with the Agreement of Purchase and Sale (any differences must be communicated to and approved by CMHC) and providing it to CMHC to prepare the transfer document. Providing any further documentation or action to support the sale transaction and to ensure prompt closing;
- f) Arranging for water tests and/or for topping off the oil tank prior to sale closing;
- g) Shocking wells for water tests when requested;
- h) Completing closing and notifying CMHC of any issues as they arise, including, but not limited to: exchanging keys with the purchaser/purchaser's solicitor, receiving closing funds and notifying CMHC once the sale has concluded.

Title Defects Affecting Sale of Property:

Where there are title defects, CMHC may agree to allow the CSP to sell the property at a reduced price which takes into account the particular title defect. In such circumstances, the CSP must take into account and provide analysis to CMHC of financial and non-financial considerations when making a recommendation to CMHC to sell at a reduced price. The CSP must ensure that CMHC's interests are protected in any such circumstances and ensure that CMHC will not be accepting or taking responsibility for the defects. Further, the CSP must pursue title defect resolution through the applicable title insurer, unless otherwise advised by CMHC.

Unsold Properties:

In a limited number of cases there will be properties that will be very difficult to sell. These "unsold" properties pose a challenge to CMHC, and the ECS, because they usually take longer or require more unconventional methods to dispose.

The following will outline the process and provide guidelines on coordinating and handling unsold properties.

STEP 1: Property Management and Notification

- The CSP is to continually monitor the marketability of properties and make best efforts to sell them at fair market value;
- The unsold property stage is defined when a property has reached 9 months of being listed but not sold.

STEP 2: Recommendation

- The CSP is to notify CMHC (by sending an email to: loanservicedocuments@cmhc-schl.gc.ca) when a property has reached the unsold property stage, the notification is to include:
 - Any details on the property that the CSP feels are important;
 - Number of showings/viewings and offers received on the property;
 - In addition, the CSP is required to provide CMHC with a recommended course of action, taking into consideration financial and non-financial implications, including:
 - Financial considerations:
 - costs of various options;
 - liability, health, and safety issues;
 - disposition of the mortgage security;
 - covenants and guarantees.
 - Non-financial considerations:
 - ongoing responsibility for the property;
 - reputational risk.

STEP 3: After Receipt of Recommendation

- Upon receipt of the recommendation, CMHC will review each file and advise the CSP of their preferred course of action.

STEP 3: Invoice

- Refer to 3.3.5 Final Accounting and Proceeds.

6. Final File Review PVII/Title Insurance Issues found

Certain portfolio loans are insured with property valuation indemnity insurance (PVII).

After property sale and once the CSP has deducted all of their costs, if the loan results in a loss to CMHC and the loan is insured with PVII, then the CSP will be required to submit a claim to the PVII insurer on behalf of CMHC or the AL in accordance with the terms of such policy.

In addition to filing the claim, the CSP will also be responsible for:

- The CSP will be required to gather the required information from the AL or CMHC, as needed, in order to file a completed claim with the insurer;

- The CSP will be required to contact CMHC in situations where CMHC is “made whole” to seek guidance on how to proceed;
- The CSP will be required to review settlement offers from the insurer and provide a recommendation to CMHC. CMHC will need to verify and accept the offer;
 - o If CMHC does not accept the insurer’s proposed offer additional steps will be involved, this may include obtaining an additional retro appraisal or further recommendations from the CSP.
- Once the insurer has paid the claim to CMHC, the CSP will then notify CMHC and the AL (by email) to confirm that the insurance claim has been paid;
 - o CSP will then mail the cheque to CMHC.
- All records between the insurer the AL, CSP, and CMHC will need to be retained by the CSP’s electronic system, with full access provided to CMHC;
- In cases where CMHC assigns judgment to the insurer, the CSP will receive completed judgement documents from CMHC and the CSP will then forward these documents to the insurer.

7. Final Accounting and Proceeds

The CSP will invoice CMHC once the property sale has closed. The CSP will take the appropriate measures to ensure that the invoice is error-free and completed in accordance to standard finance and accounting practices prior to submitting to CMHC. If the CSP subcontracts portions of this scope of work, the CSP is responsible to reimburse the subcontractors and add these expenses to the final bill submitted to CMHC.

CMHC may require the CSP to submit invoices using a standard template to facilitate efficient processing and approvals of invoices submitted by the CSP.

There are 3 main sections to the accounting and financial transaction process:

1. Billing and Accounting Requirements;
2. Cash Management;
3. Remittance of Sales Procedure.

1. Billing and Accounting Requirements

The CSP will provide CMHC with a detailed breakdown of all costs related to claim payment and the property selling process for reporting and analytical purposes. Careful accounting of all costs, with their separated applicable taxes, is critical for CMHC to meet regulatory requirements.

All expenses are to be accounted for separately based on the pre-determined categories provided by CMHC.

2. Cash Management

For the purposes of CMHC cash management, the CSP will notify CMHC weekly, by email, or such other means as may be acceptable to CMHC, of all upcoming deposits, including the first post-sale deposit and the second, holdback release deposit, for each office/agent by no later than 2:00 p.m. each Friday afternoon Eastern Time (ET) for the next weeks deposit activities.

This notification is to include the total amount being deposited, the account to be deposited to (i.e. Account Number, Transit Number, Institution Number etc.) and the entity making the deposit along with the expected date of deposit and the applicable CMHC loan numbers.

3. Remittance of Sales Procedure

a. Bank Deposit details

Upon receipt of the closing funds, the CSP will deposit the proceeds into CMHC's account which is designated for deposit only with electronic payment. CMHC will not accept cheques in this account.

b. Remittance File data fields and requirements

The CSP is required to provide a remittance file to CMHC, for the direct deposit no later than 1:00pm Eastern Time (ET) within 3 business days following the sale closing date. The file must be a Microsoft Excel worksheet in an .xlsx format and the total of the transactions included in the worksheet must correspond to the payment made to CMHC's bank account and the file should contain only one worksheet.

The worksheet will be in a specific format provided by CMHC.

c. Holdback Funds

The CSP will be permitted to holdback \$6,000 of funds from the original sales proceeds, these funds are to be used to cover any outstanding expenses as they come in (utility bills, property management fees, etc.). The net of the holdback funds is to be remitted to CMHC within 60 days of the property closing date.

d. Unsold Properties Invoicing

After 9 months of a property being listed but not sold the CSP is eligible to invoice CMHC for the outstanding expenses that have accrued on the file.

8. Performance Measurements Reporting Requirements (Turn Around Time Requirements)

The CSP is required to report to CMHC monthly on the following performance measurements for each province:

Administrative
Number of new files assigned
Number of new files assigned in current reporting period
Number of saved files
Number of closed files
Number of active files (broken down by Legal, Under administration, Pending Sale etc.)
Number of claims filed
Legal Services
Days in legal (TAT)
Total legal costs
Number of contested files
Property Management Services
Total property management costs
Costs incurred at closing
Total repair costs <ul style="list-style-type: none"> i. Amount of repairs completed ii. Emergency repairs exceeding \$10k
Marketing and Sales Services
Number of days from end of legal to start of listing (TAT)
Sales price as a percentage of List Price
Sales price as a percentage of Appraised value
Days from listing to closing (TAT)
Other
Days to deposit of funds to CMHC from the closing date (TAT)
Days to second deposit of funds to CMHC from the closing date (TAT)

The CSP must have a process to track and report on their performance in regards to meeting performance measurements described in the above table or as requested by CMHC.

The CSP will prepare and provide to CMHC on the 12th day of each month or the next business day, if the 12th day of the month is not a business day, a Performance report indicating the number of files being administered and the performance of their portfolio for the performance measurements noted in the chart above. The report will detail the achieved performance for

each activity, calculate the average turn-around time for the entire portfolio, highlight any areas where turn-around times are not being achieved and what corrective actions are being taken.

9. Quality Assurance Reporting Requirements

The CSP must have a process, product or service to ensure the quality, accuracy, and reliability of the services completed by their subcontractors. The CSP quality assurance plan will include measures for legal, appraisals, property management and real estate services, where these services are being complete by subcontractors.

The CSP will provide Quality Assurance reports on the second Tuesday of each quarter to CMHC which indicate the results of the quality assurance validation checks completed for each property/file as well as a summary of the results and a detailed account of any deficiencies as well as a description of the corrective actions being taken.

The CSP will also need to cooperate with CMHC's quality assurance practices in the review and validation of the proponent's product or service quality.

10. DISPUTE RESOLUTION

The Proponent must deal with any all disputes which arise during the life of this Agreement in accordance with dispute resolution mechanism set out in the Agreement.

(a) General

Any issue concerning this Agreement and/or Statement of Work, will initially be addressed by each Party's representatives as contemplated in the Statement of Work under which the disagreement has arisen. If the Parties are not successful in resolving an issue pursuant to such process, or if the issue is material and either Party believes the Parties will not be successful resolving such issue or dispute pursuant to such process, then either Party may issue a formal written notice (a "Dispute Notice") that a dispute ("Dispute") has arisen and subparagraph (b) below will apply.

(b) Escalation of Disputes

Except for Disputes involving CMHC Information or the infringement or misappropriation of intellectual property rights (in which case either Party will be free to seek available remedies in any forum), if the Dispute is unresolved by each Party's representatives (identified in the applicable Statement of Work) within ten (10) days after the issuance of the Dispute Notice (or such other period of time agreed to in writing by the Parties) then either Party may institute formal legal proceedings.

11. TECHNICAL REQUIREMENTS

MANDATORY

The Selected Proponent(s) will be responsible to provide at their own expense the interface between their own in-house systems and CMHC's system and to ensure their compatibility.

NOTE: CMHC is currently undergoing a major Technology Transformation. The Target State Architecture definition is driven by guiding principles established by Enterprise Architecture. Enterprise Architecture recommends that proponents provide their own software/systems which can be integrated with CMHC's systems through Enterprise Integration Services. Ideally, the proponents will offer a technology platform/solution (such as a web portal or webservices/api's) which can be leveraged by CMHC. Enterprise Architecture prefers a platform-based approach and prioritizes cloud-based platforms to simplify CMHC's technological landscape. Solutions enabling the Target Architecture should integrate to provide a seamless user experience to enable business capabilities.

CMHC will establish electronic communication linkage with the Selected Proponent(s) to order and obtain Services through automated processes. Formal technical specifications will be provided to the Selected Proponent(s). To establish such electronic connections, the Selected Proponent(s) must be able to fulfill the following requirements:

3.3.11.1.1 Connectivity

The Selected Proponent(s) will connect to CMHC by one or more of the following:

- I. Secure Web Services over the Internet;
- II. Secure File Transfer using Managed File Transfer (SFTP Services);
- III. Proponent's SaaS offering;
- IV. Proponent's Web Portal;
- V. Accessing CMHC's Web Portal.

The Selected Proponent(s) will:

- a) Ensure compliant secure connectivity between the selected Proponent's systems to CMHC's systems;
- b) Provide appropriate level of security (Secret) at the physical facility with access control restrictions for the access to CMHC data. The CMHC confidential and proprietary information, data and services shall be used exclusively for the benefit of CMHC;
- c) Ensure that all components (hardware and software) used in CMHC-Proponent connectivity are at a vendor-supported level;

- d) Ensure governance structure in place to actively manage users of CMHC systems if applicable; including identifying single point of contact for any user access related questions and management.

3.3.11.1.2 IT Security

The Selected Proponent will have in place appropriate Secret Level security systems and procedures to protect the confidentiality, integrity and availability (CIA) of any data of CMHC and its sub-licensees residing on hardware within the Selected Proponent's possession or control. This should include at least the following:

- I. Employ Firewall technology to filter the required protocols and log all access attempts;
- II. Use a form of secure authentication (i.e. Token technology or user ID and password);
- III. Develop and implement a Security Policy that includes:
 1. Regular auditing of all processes and reviews of Firewall rule sets;
 2. Prohibited storage, use and access to any information for any purpose other than for the original intent of the transfer.

3.3.11.1.3 CMHC Security Standards

The Selected Proponent will comply with CMHC Security standards for

- I. Remote e-proofing;
- II. Email file transfer up to 35 MB;
- III. File transfer using SMFT;
- IV. Accessing CMHC network and Operating System;
- V. Accessing CMHC Web Portal.

3.3.11.2 Technology Security Evaluation

3.3.11.2.1 Security Assessment

When applicable and at CMHC's sole discretion, CMHC shall have the right to conduct an assessment of the contractor's security controls and frameworks (the "**Security Measures**"), which assessments may be carried out by CMHC itself or by a third party on behalf of CMHC. Should a lead proponent be identified, CMHC may request the following information, within an agreed upon timeframe, to permit an analysis of the contractor's Security Measures:

- I. Provide proof, to the satisfaction of CMHC of the contractor's implementation of one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent guideline for a **Secure Network**;
- II. Provide proof, to the satisfaction of CMHC that an enhanced Threat and Risk Assessment has been conducted on the contractor's technology/infrastructure;
- III. Provide proof, to the satisfaction of CMHC that an internal and external Network Vulnerability Assessment has been conducted on the contractor's technology/infrastructure;

- IV. Provide CMHC with a “Security Controls Checklist” as detailed within one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent;
- V. CMHC requires certain safeguards to be implemented by the Proponent for purposes of connectivity with Lenders and CMHC. CMHC reserves the right to deny connectivity based on the lack of safeguards from the following list:

3.3.11.2.2 Information Accountability

- a. The Service Provider is the primary CMHC client organization to this agreement and is fully accountable for the proper safeguarding and handling of all CMHC information provided to it regardless of any 3rd party contracts that the Provider may enter, or 3rd party data transmissions made on behalf of the Provider;
- b. Any contracted 3rd party with access to CMHC databases, servers or network equipment shall sign a Non-Disclosure agreement provided by CMHC;
- c. Any personal information provided to CMHC either directly from the Provider or by a 3rd party on the Provider’s behalf is considered as collected by the Provider for purposes of the Privacy Act, and all required notifications and assessments shall include CMHC as a receiver of the personal data fields;
- d. All security safeguards identified here shall apply to Provider’s and 3rd parties’ normal operations as well as backup and recovery operations;
- e. 3rd Parties and Providers shall inform CMHC immediately should any client organizations’ systems that are co-located with CMHC information be suspected of having criminal or terrorist affiliations;
- f. CMHC reserves the right to terminate this agreement and any connectivity with Providers or 3rd parties should it become aware of a breach of any of these security conditions.

3.3.11.2.3 Information (applies to CMHC, Service Provider and 3rd Party)

- a. All information types that will traverse the connectivity within this agreement shall be identified prior to connectivity being established;
- b. Any information that is Business Sensitive or proprietary shall be identified to the other parties along with the information owner prior to connectivity being established;
- c. All information housed, processed, transmitted or received by either party shall be protected according to an established security program, and according to its identified sensitivity level;
- d. No information shall be transmitted through connected systems that is above Protected (Impact Level: Medium) or the Government of Canada equivalent, Protected B;

- e. Any information that is identified as “Personal Information” under the Privacy Act (PA) or Personal Information Protection and Electronic Documents Act (PIPEDA) shall be collected, handled, stored, transmitted and disposed of in accordance with the Privacy Act;
- f. Requests for access to or changes to Personal Information shall not be actioned by the 3rd party without prior approval of the originating organization. Approval will be sought immediately upon receipt of such a request and not unduly delayed;
- g. Information provided to the Provider by CMHC or to a 3rd party on the Provider’s behalf shall not be used for any purpose other than that for which CMHC has provided prior approval.

3.3.11.2.4 Data Sovereignty

- a. Information Sovereignty shall be acknowledged by all parties and handled accordingly upon prior notification of such sovereignty.
 - i. CMHC provided information shall be stored and processed wholly within Canada’s Borders. If CMHC information crosses Canada’s border, CMHC shall be immediately notified;
 - ii. All parties shall notify the others of any foreign or domestic regulatory requirements imposed on their organization that could conceivably result in exposure of information to a 4th party;
 - iii. 3rd Party companies shall agree to the following:
 - 4. Provide CMHC with information relating to corporate ownership and control;
 - 5. Immediately inform CMHC of any changes to control of the operation, or corporate governance;
 - 6. Immediately inform CMHC of any information access requests by a foreign legal body that captures any CMHC-provided information.

3.3.11.2.5 Security Program

- a. All signatory organizations to this agreement shall develop and maintain an effective security program that addresses information sensitivity, data protection and IT security risk management. The program shall include as a minimum:
 - i. Defined roles and responsibilities for IT Security;
 - ii. IT Security policies, standards, directives and guidelines suitable to identification and processing of information that is sensitive;
 - iii. IT Security Risk Assessment and mitigation measures;
 - iv. Implementation of technical, physical, management, personnel and operational controls that are effective in preventing unauthorized access,

manipulation or destruction of data according to a minimum standard approved by CMHC.

- b. All Provider and 3rd party staff having access to unencrypted CMHC data shall undergo a background screening process approved by CMHC, prior to access being provided;
- c. Providers and 3rd Parties holding CMHC information shall not refuse any reasonable request for implementation of additional safeguards for protecting CMHC data;
- d. CMHC shall have the right to review the security program of any organization directly connecting to a CMHC internal system;
- e. CMHC retains the right to terminate this agreement and any associated connectivity should the security program be deemed insufficient to adequately protect CMHC information or the connection itself;
 - ii. Upon termination of the agreement under this clause, all CMHC provided information shall be returned to CMHC and all media at Providers' and 3rd parties' sites that housed such information shall be wiped in accordance with CSE publication (ITSG-06) - Clearing and Declassifying Electronic Data Storage Devices.

3.3.11.2.6 Monitoring and Incident Response

- a. CMHC shall have the right to periodically audit technical, management and operational safeguards in place at Provider and 3rd party sites that house or process CMHC information;
- b. All security incidents identified by one party shall be reported to the other parties upon discovery or as soon after as possible.

3.3.11.2.7 CMHC Information Disposition

- a. Providers and 3rd Parties shall not delete or archive any CMHC provided information without prior approval of CMHC;
- b. When approval is provided for removing CMHC information it shall be done in accordance with CSE publication ITSG-06;
- c. Upon termination of the 3rd Party responsibilities for safeguarding or transmitting CMHC information, all copies of the information held on any type of media shall be returned to the Provider and the media wiped according to ITSG-06.

3.3.11.2.8 Information Recovery

- a. Disaster Recovery procedures shall be coordinated with CMHC's Business Continuity Plan and regularly tested according to an agreed schedule.

The contractor will be required to document how they have met or exceed the baseline safeguards.

The contractor may refine Security Measures as part of this process to ensure a sufficient amount of detail for their allocation of high-level design specification. CMHC will review and potentially approve any refinements implemented by the contractor as part of CMHC's review and change disposition. Upon request from CMHC I&T Security Risk Management the lead contractor will provide assurance that security controls are being managed in accordance with a secure environment throughout the life of the Agreement. The contractor will be required to ensure that any additional safeguards have been implemented to address any residual risks identified by it or by CMHC.

3.3.11.3 IT Systems/Hardware

3.3.11.3.1 Redundancy

The Selected Proponent will ensure there is redundancy in all systems supporting the Selected Proponent's production environment, including but not limited to:

- I. Backup application;
- II. Backup hardware;
- III. Backup power supply;
- IV. Backup communication lines.

3.3.11.3.2 Disaster Recovery

The Selected Proponent will ensure:

- I. there is a separate Disaster Recovery Facility in a different location from the primary production site to provide full backup and timely resumption of processing for critical systems;
- II. there is a Disaster Recovery plan, tested at least annually with established recovery teams. The maximum acceptable recovery time is 24 hours;
- III. a set of disaster recovery protocols is defined.

3.3.11.3.3 System Changes

The Selected Proponent will need to describe the normal practice(s) when introducing a major system change that may impact CMHC.

- I. will have the required updates or changes fully tested and operational within 60 days of notification by CMHC;

- II. agrees to follow IT Protocol, to be established and agreed upon by both Parties, for changes to CMHC IT equipment/software;
- III. provide CMHC with access to any onsite space during and/or after hours as need arises;
- IV. will allow access to onsite space when required. CMHC will strive to provide Contractor advance notice where circumstances permit.

CMHC will notify the Selected Proponent 60 days (as a minimum) in advance of any major technical changes that would impact the proposed communication link.

3.3.11.3.4 Testing

The Selected Proponent will:

- I. connect to the CMHC test environment to enable the effective testing of CMHC system enhancements before rollout;
- II. agree to participate in such testing activities upon receiving CMHC notice of testing requirements at least 3 weeks prior to the planned date;
- III. agree to participate in testing other emergency changes (such as Disaster Recovery Simulations) as required by CMHC;
- IV. ensure availability and access to testing environments and processing of test cases as required.

3.3.11.3.5 Technical Support

The Selected Proponent shall provide CMHC with technical support for its system, including:

- I. providing a single point of contact for the CMHC to contact for reporting and coordinating outages or emergency maintenance, and for technology related discussions;
- II. reporting to CMHC any technical problems affecting Services to CMHC within 30 minutes of the occurrence, and reporting resolution of the problem without delay;
- III. providing problem management support following the problem resolution protocol.

3.3.11.4 System Operations Availability and Performance

C. Availability

The Proponent(s) shall provide the following hours of availability:

- Monday to Friday 7:00 A.M. – 8:00 P.M. ET
- Saturday 9:00 A.M. - 6:00 P.M. ET

- Sunday 12:00 NOON - 6:00 P.M. ET

- And provide Services as normal on all holidays except Christmas Day, Boxing Day, New Year's Day and Easter Sunday;
- System availability – Uptime for each major component of the system in actual hours, and as a percentage of possible availability.

D. Performance

The Proponent(s) shall commit to maintain a monthly minimum availability of 99.7% for the Services.

To assist in the ongoing monitoring of performance, standard service level reporting is required. Reports shall be produced by the Proponent(s) and provided to CMHC on a monthly basis. Two types of statistics must be maintained:

- Problem calls and /or emails – the number of calls received, broken down according to the nature of the call and /or email, and the length of time taken to resolve the problem.

3.3.12 Official Languages

The CSP acknowledges and understands that CMHC is governed by the Official Languages Act and follows related Treasury Board Policies. The CSP agrees to take any measures necessary to ensure compliance with the Act and those policies. When providing services to or communicating with CMHC employees, in person, over the phone or in writing (including electronic correspondence), the CSP must actively offer bilingual services in and indicate clearly by verbal and/or visual means that employees can communicate with and obtain available services in either English or French. The CSP must also ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

3.3.13 Business Continuity Plan & Disaster Recovery Plan

The CSP will have a Business Continuity Plan/Disaster Recovery Plan that outlines the CSP's measures for ensuring the continuation of the outsourced business activities in the event of problem and events that may affect the CSP's operations, including systems breakdown and natural disasters, and other reasonably foreseeable events. The CSP will regularly test its business recovery system as it pertains to the services provided under this RFP.

The CSP will, on an annual basis, notify CMHC of the test results, and address any material deficiencies. In addition, CMHC will be notified in the event that the CSP makes significant changes to its business continuity and disaster recovery plans, or encounters other circumstances that might have a serious impact on the service.

3.3.14 Innovation and Added Value

CMHC values and welcomes innovative initiatives from Proponents. Innovation can be demonstrated by seeking opportunities to make effective decisions and improve organizational performance or in finding other innovative ways to provide added value to our mutual clients. The proposal should identify such opportunities and demonstrate how these services and/or actions could qualify as an innovative solution to CMHC.

Examples of innovation are, but not limited to, new or improved methods of communication allowing for better turnaround time, new mechanisms that would better identify misrepresentation and possibly avoid fraud, a quality-assurance process enabling better results and better performance for CMHC.

3.3.15 Audit Rights including OSFI Rights to Conduct Supervisory Activities

The CSP is required to provide CMHC the right to evaluate the service provided or, alternatively to cause an independent auditor to evaluate, on its behalf, the service provided to CMHC. This includes a review of the CSP's internal control environment as it relates to the services being provided.

In addition, the CSP will allow OSFI or the Superintendent's representative the right to:

- exercise the contractual rights of CMHC relating to audit;
- accompany CMHC (or its independent auditor) when it exercises its contractual audit rights;
- access and make copies of any internal audit reports (and associated working papers and recommendations) prepared by or for the CSP in respect of the service being performed for CMHC, subject to OSFI agreeing to sign appropriate confidentiality documentation in form and content satisfactory to the service provider; and
- access findings in the external audit of the CSP (and associated working papers and recommendations) that address the service being performed for CMHC, subject to the consent of the CSP's external auditor and OSFI agreeing to sign appropriate confidentiality documentation in form and content satisfactory to the service provider and the external auditor.

3.3.16 Record Keeping Requirements

The CSP will be required to document all files and keep appropriate records in compliance with all policies of CMHC and the Approved Lender, including any specific record retention and disposition policies. Records are to include all facts, information and documentation material to the administration of the file including but not limited to the mortgage loan insurance claim, mortgage enforcement, enforcement of security interests in personal property, property management and disposal, and obtaining of judgments. Such information may be requested by the Approved Lender or CMHC at any time and the CSP shall produce such information within a reasonable period of time upon receipt of such a request.

All records are to be returned to CMHC upon termination of the Agreement with the Service Provider.

3.3.17 Security Screening Requirements

- (a) Supplier will obtain and maintain the required level of Government of Canada Security Screening in respect of each Security Screened Supplier Personnel, as follows:
 - i. Reliability status: required for all Security Screened Supplier Personnel Handling any CMHC Data that contains “protected” information or accessing any CMHC Facilities or any Hardware, Software or Systems of CMHC to perform any Services hereunder;

Supplier will conduct all Security Screening through the Contract Security Program (“CSPG”) that is administered by Public Service and Procurement Canada (“PSPC”).

Supplier will provide CMHC with a copy of its registration under the CSPG and the Security Screening certificate and briefing form for each Security Screened Supplier Personnel along with the validity period of each certificate, and updated or replacement certificates, as are required to maintain the reliability status or security clearance under the CSPG.

For greater certainty, any inability or delay in obtaining the required Security Screening or a revocation of the required Security Screening in respect of any Security Screened Supplier Personnel will disqualify such Security Screened Supplier Personnel from providing any Services under this Agreement.

Without limitation to anything in this agreement, if, at any time:

CMHC reasonably determines that any Security Screened Supplier Personnel poses a security risk to CMHC or to the Government of Canada, CMHC may notify Supplier of that determination. Upon receipt of such notice, Supplier will take such action as is requested by CMHC to address such security risk, which action may include prompt removal of such Security Screened Supplier Personnel from performing any Services;

Supplier becomes aware of any security concerns that could affect any Security Screened Supplier Personnel’s Security Screening status or clearance and Supplier reasonably believes that such security concerns may pose a risk to CMHC or to the Government of Canada (including, drug or alcohol misuse, any sudden or marked changes in financial situation or expenditures (e.g., bankruptcy, unexpected wealth), expressions of support for extremist views, actions or incidents, particularly when violence is advocated, unexplained hostile behaviour or communication, unexplained frequent absences, indications of fraudulent activity,

disregard for safeguarding sensitive information or assets (e.g., violations, breaches of security) or persistent or unusual interest in or attempts to gain access to sensitive information, assets or facilities to which an individual has no work-related need to access), Supplier will immediately advise CMHC of such concerns and, if requested by CMHC, will initiate a review of such Security Screened Supplier Personnel's security status or clearance for cause.

3.3.18 Other Obligations of CSP

1. The proponent may be required to meet with CMHC or AL representatives at their office or at the location determined by CMHC or AL. The proponent will be responsible for all expenses related to these meetings;
2. Ensure that all involved parties work as a team;
3. Work in partnership with Lender and CMHC to make the planning, management and operation of services cost-effective and efficient;
4. Provide official notification to Lender and CMHC prior to the occurrence of significant changes of their organization which may have an impact on service delivered;
5. Operate in accordance with government security policies, standards, guidelines; etc.
6. Monitor performance against Service Level Reports to ensure Services are delivered.

SCHEDULE "B"

MANNER OF PAYMENT

If the Contractor is not in breach of any of its (his, her) obligations under this Agreement, the Contractor will be paid in accordance with the following schedule:

A. Legal Services

The CSP’s bid on legal services shall be set out in the chart below and state an aggregate (inclusive of all disbursements) tax inclusive total.

Section 1: Standard File – refers to files that only involve completion of the standard mortgage enforcement steps as referred to in Section 1 of Appendix “B” – Legal Proceedings for Mortgage Enforcement.

Section 1: Standard File	
Jurisdiction	Standard Mortgage Enforcement Steps
British Columbia	
Alberta	
Saskatchewan	
Manitoba	
Ontario	
Quebec - Judicial Sale	
Quebec - Taking in Payment	
Prince Edward Island	
New Brunswick	
Nova Scotia	
Newfoundland & Labrador	
Nunavut	
Northwest Territories	
Yukon	

Section 2: Non-Standard Mortgage Enforcement – refers to quotes for the completion of the stated items.

Section 2: Non-Standard Mortgage Enforcement									
Jurisdiction	Substitute/Alternative Service Order	Skip Trace/Private Investigation	Additional Writ / Certificate of Judgment (quote per writ)	Reciprocal Judgment	Order to modify court approved listing or sale conditions	Preservation Order / Ordonnance de sauvegard and similar Orders	Order to vary or set aside tenancy	Migration of property from land registry to land title systems.	Tenanted Properties: Eviction of tenants
British Columbia									
Alberta									
Saskatchewan									
Manitoba									
Ontario									
Quebec (Judicial Sale)									
Quebec (Taking in Payment)									
Prince Edward Island									
New Brunswick									
Nova Scotia									
Newfoundland & Labrador									
Nunavut									
Northwest Territories									
Yukon									

Section 3: Contested Mortgage Enforcement/Other Legal Proceedings – refers to quote stating the blended hourly rates for lawyers (inclusive of all partners and associates) and for support staff (inclusive of all paralegals and law clerks), disbursements and applicable taxes.

Defendant's motion to set aside judgment, improvident sale, other contested legal proceedings:

Blended Hourly Rate (Lawyers) \$ _____

Blended Hourly Rate (Support Staff) \$ _____

Section 4: Termination: refers to quotes, on a per file basis, for the completion of the transfer of files to be transitioned to a party designated by CMHC.

Section 4: Termination	
Jurisdiction	Transition of file to another party designated by CMHC
British Columbia	
Alberta	
Saskatchewan	
Manitoba	
Ontario	
Quebec - Judicial Sale	
Quebec - Taking in Payment	
Prince Edward Island	
New Brunswick	
Nova Scotia	
Newfoundland & Labrador	
Nunavut	
Northwest Territories	
Yukon	

B. Securing and Property Management Services

Proponent is to provide an all-inclusive fixed monthly fee that includes all services described in Section 3.3.3 of this RFP. This fee will be prorated for the portion of time that the property is assigned up until the sale closing date.

Monthly fee \$_____

A. Appraisal Services

Proponent is to provide an all-inclusive price to complete an appraisal as describe in Section 3.3.2 of this RFP for each province or territory.

Appraisal Services	
Jurisdiction	Fee
British Columbia	
Alberta	
Saskatchewan	
Manitoba	
Ontario	
Quebec - Judicial Sale	
Quebec - Taking in Payment	
Prince Edward Island	
New Brunswick	
Nova Scotia	
Newfoundland & Labrador	
Nunavut	
Northwest Territories	
Yukon	

D. Real Estate Marketing and Sales

Proponent must outline the commission rate to be charged for selling the property. The commission rate is to include all items detailed in Section 3.3.4 of this RFP. To ensure that the commission rate quoted never results in a fee that is too low, the proponent is asked to quote a minimum dollar amount of commission payable for each province or territory.

Real Estate Marketing and Sales		
Jurisdiction	Commission rate (% of selling price)	Minimum dollar amount of commission (\$)
British Columbia		
Alberta		
Saskatchewan		
Manitoba		
Ontario		
Quebec		
Prince Edward Island		
New Brunswick		
Nova Scotia		
Newfoundland & Labrador		
Nunavut		
Northwest Territories		
Yukon		

SCHEDULE “C”

Legal Proceedings for Mortgage Enforcement

This Schedule “C” outlines the minimum standards a Claim Service Provider (“CSP”) is expected to achieve in providing legal services on every file and is not an exhaustive list of all legal steps that may be required. The CSP shall follow the court process and legislation applicable in the respective provincial and territorial jurisdiction to protect and preserve CMHC’s interests.

This Schedule “C” is divided into three parts: (1) Standard Mortgage Enforcement, (2) Non-Standard Mortgage Enforcement and (3) Contested Mortgage Enforcement Proceedings. Standard Mortgage Enforcement comprise those that are required on all files on a national basis, as well as any additional or complementary step(s) required by province or territory. Depending on the jurisdiction, multiple avenues for mortgage enforcement may be available, e.g. British Columbia – Order Absolute or Order for Conduct of Sale. The CSP’s bid is expected to reflect the multiple avenues for mortgage enforcement, by province and territory and should be inclusive of internal and external disbursements and taxes. Non-Standard Mortgage Enforcement comprise legal steps that are common, but not necessarily required for every file. The CSP is expected to provide a bid on these items, nationally, and not by province or territory. Contested Mortgage Enforcement Proceedings are those where a party has contested the legal proceedings.

1. Standard Mortgage Enforcement

<u>National</u>
General, File Activation, Assessment & Reporting
<ol style="list-style-type: none"> 1. Obtain and review file and instructions from client. Prepare statement of amount owing under mortgage, and obtain any further required documents from Approved Lender, CMHC or other party. Identify any potential mortgage issue(s). Determine appropriate mortgage enforcement remedy (e.g. power of sale, foreclosure); 2. Draft and serve Demand Letter to Mortgagor; 3. Prepare and serve <i>Bankruptcy & Insolvency Act</i> Notice of Intention Enforce Security, where applicable; 4. Searches; 5. On Title – Search and Review of Title (including review of deed, registered mortgage, encumbrances such as liens and executions/judgment); and 6. Off Title – Complete off-title searches for liens and encumbrances impacting marketability of title including tax, mechanics/construction liens, water, condominium liens, execution/judgment searches, bankruptcy and insolvency search, and any others where deemed required by a prudent solicitor; 7. Manage ongoing communications with all parties with an interest in the property including, the defaulting borrower/covenantors/guarantors, registered encumbrancers

on title whether prior or subsequent (i.e. prior mortgagee, condominium corporation).

This includes settlement negotiations and agreements with the defaulting borrower/covenantors/guarantors prior to redemption rights being extinguished;

8. Upload and transmit all information and documents to CMHC;
9. Prepare final reporting to CMHC on all aspects of the file;
10. Coordinate and execute all applicable documents on behalf of CMHC, subject to CMHC's authorization;
11. Provide general advice from time to time regarding updates in legislation or jurisprudence relating to mortgage enforcement and related matters and provide recommendations on process or procedural amendments;
12. Provide CMHC with assistance to transition files to CMHC or any other party designated by CMHC, upon written request by CMHC. The CSP shall provide all consents (if applicable).

Litigation

1. Commence mortgage enforcement proceeding by issuing statement of claim, petition or notice of (mortgage) sale/action or obtain leave of the court, as required. Where applicable draft, file and serve certificate of pending litigation with the applicable registry (court or land registries);
2. Draft all required documents. Serve all required parties (including all with an interest in the mortgaged property) in the applicable form of service as required by local court process or legislation. File/register documents at the applicable registry (court and land titles registries);
3. Obtain appraisal, comparative market analysis and/or opinion of value of land as required;
4. Note mortgagor in Default and Draft Default Judgment, where applicable;
5. Draft, File and Serve all other required documents (including supplementary documents) to obtain court orders permitting the possession (if applicable) and sale of the property. For example, court orders include: Order Nisi (including judgment), Order for Conduct of Sale, Order Approving Sale, Order for Sale to Plaintiff and Judgment, Final Order for Foreclosure/Order Absolute, Redemption Order including Order Confirming Sale Accepting Tender and Vesting Title, Order Nisi for Foreclosure, Final Order for Foreclosure, Vesting Order, Order Nisi for Sale, Order Confirming Sale, Order for Declaration of Value Owing (where bankruptcy occurs), Emergency Order (Preservation Order);
6. Includes all court attendances. Enter all judgments and orders and serve all necessary parties;
7. Prepare and file assignment of judgment from Approved Lender to CMHC in the applicable registry (court and land registries), where judgment is not already obtained in favor of CMHC. Prepare all materials to obtain deficiency judgment against all defaulting borrower/covenantors/guarantors in favor of CMHC;
8. Prepare an assignment from the Approved Lender to CMHC of the Approved Lender's rights in relation to the borrower(s), any guarantor(s), and any covenantor(s), the property, the mortgage, other security, and other insurance and indemnity funds

<p>related to the insured loan. This would include Assignment of Mortgage/Security/court orders enabling CMHC to sell the property, Title Transfer from the Approved Lender to CMHC, if applicable;</p> <ol style="list-style-type: none"> 9. Draft and file/register assignment of mortgage/security or deed from Approved Lender to CMHC; 10. File all applicable writs/certificate of judgments against each judgment debtor with the applicable registry (i.e. court and land registries) in favour of CMHC. The Standard Mortgage Enforcement includes 2 writs/certificates of judgment per file. Any additional writs/certificates of judgment are subject to Non-Standard Enforcement costs as determined; 11. Prepare and file bill of cost for review by assessment clerk, where applicable; 12. Discharge any mortgages, liens or encumbrances on the property to ensure that CMHC obtains clear and marketable title (i.e. certificate of pending litigation, personal property security interest, etc.); 13. Communicate with court and land title registrars.
<p>Bankruptcy/Consumer Proposal/ CCAA</p> <ol style="list-style-type: none"> 1. Prepare, file and update secured and unsecured proof of claim(s) against all borrower/covenantors/guarantors in favour of CMHC. Prepare, coordinate execution of bankruptcy trustee deeds to transfer to CMHC the right to sell the property (where applicable); 2. Manage ongoing communications with trustees and all parties with an interest.
<p>Conveyance of Property</p>
<p>A. Sale by Approved Lender to CMHC</p> <ol style="list-style-type: none"> 1. Where foreclosure order/order absolute is obtained, prepare and file deed from Approved Lender to CMHC in the applicable registry (court and land registrars). Refer to the Additional or Complementary Provincial Steps for NB, PEI, NFLD, Quebec, and Ontario.
<p>B. Sale by CMHC to 3rd Party Purchaser</p> <ol style="list-style-type: none"> 1. Obtain and review up-to-date Title Search; 2. Prepare Listing Agreements, Agreements of Purchase and Sale, subject to court approval as required; 3. Communicate with real estate agents and third party purchaser or their real estate agents or solicitors; 4. Prepare of all documents related conveyancing and property sale closing; 5. Prepare of deed to third party purchaser; 6. Prepare statement of mortgagee's accounting as required; 7. Prepare reporting to CMHC.
<p>Filing of Property Valuation Indemnity Insurance Claim</p> <ol style="list-style-type: none"> 1. Where the loan is insured by property valuation indemnity insurance, review file and submit a claim to the property valuation indemnity insurer on behalf of CMHC if there is a loss after sale of the property to a third party;

<ol style="list-style-type: none"> 2. Review and obtain CMHC approval of settlement offer by insurer on property valuation indemnity insurance claim; 3. Communicate with Approved Lender, CMHC and property valuation indemnity insurer as necessary, including document submission between the interested parties; 4. Where applicable, prepare assignment of judgment from CMHC to the property valuation indemnity insurer.
<p>Mobile/Modular Home</p> <ol style="list-style-type: none"> 1. Complete all Litigation steps as applicable for a mobile/modular home; 2. Obtain and review <i>Personal Property Security Act</i> (PPSA) search; 3. Prepare and serve all applicable notices, including but not limited to notice of disposition of collateral and intention to enforce security and demand for possession as required under personal property security legislation or other applicable legislation; 4. Obtain right for CMHC to sell property either through assignment of security agreement or equivalent or transfer of title (i.e. Bill of Sale); 5. Draft and register in the applicable registry either an assignment of the security agreement or equivalent or Bill of Sale from Approved Lender to CMHC; 6. Where applicable, retain Sheriff to seize and sell the chattel; 7. Discharge security interest/lien registration or equivalent pursuant to legislation.
<p>Leasehold:</p> <ol style="list-style-type: none"> 1. Confirm lease details and obtain Lessor’s consent to the assignment of Lease to CMHC and/or third party lessor.
<p>Tenanted Properties:</p> <ol style="list-style-type: none"> 1. Where directed by CMHC, prepare all documents and complete all tasks necessary (including obtaining confirmation of existing lease agreement terms) to enable CMHC to collect rents (whether by attornment or otherwise as landlord) and to obtain the cooperation of the tenant with respect to the property inspection, appraisal, maintenance and showings of the property by real estate agents.
<p>Distribution of Surplus Funds:</p> <ol style="list-style-type: none"> 1. Provide assessment and recommendation on the distribution of surplus funds; prepare mortgagee accounting as required; 2. Where directed by CMHC, either (a) distribute the surplus funds to parties with an interest in the surplus funds (i.e. mortgagees, borrower, lien claimants), or (b) prepare, file and serve motion materials for and obtain court order for payment of surplus funds into court.

<p><u>Additional or Complementary Provincial Steps</u></p>
<p>Nunavut</p> <ul style="list-style-type: none"> • Confirm that Consent to Leasehold Mortgage Agreement consistent with CMHC’s Leasehold Lending requirements
<p>British Columbia</p> <ul style="list-style-type: none"> • Draft and send <i>Farm Debt Mediation Act</i> Notice where applicable;

<ul style="list-style-type: none"> • Off-Title Search – including assessment searches; • Draft and file assignment of Approved Lender’s rights in relation to the mortgage, property, foreclosure, CPL, court orders, judgments, right to list and sell the lands subject to court approval to CMHC; • Where Order Absolute is obtained by Approved Lender, draft and register deed from Approved Lender to CMHC.
Saskatchewan
<ul style="list-style-type: none"> • Prepare a Notice of Intention and serve it on the Provincial mediation Board.
Atlantic (New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador)
<p>Auction</p> <ul style="list-style-type: none"> • Prepare and advertise notice of (mortgage) sale/public auction as required, and serve on all required parties including the Sheriff where applicable; • Retain auctioneer; • Attend at mortgage sale/auction in local county where property is located; • Open and review tenders; • Prepare conditions of sale and reserve bid and bidding papers; • Draft, file and serve all required documents including Affidavit of Conduct of the Auction, Affidavit of Publication, HST Affidavit; • Draft and register deed under power of sale to Approved Lender, and draft and register deed from Approved Lender to CMHC; where applicable, deed under power of sale to be registered in name of CMHC directly. Or, draft and register deed under power of sale to third party purchaser at auction.
Quebec
<ul style="list-style-type: none"> • Prepare, serve and publish 60 day prior notice of enforcement in the applicable land registry; • Prepare motion for and obtain judgment authorizing sale by judicial authority (with personal condemnation) or taking in payment; • Obtain Certificate of no appeal; • Taking in Payment: <ul style="list-style-type: none"> ○ Prepare and file summary of sale, judgment, certificate of no appeal and assignment of title in land registry. • Sale by Judicial Authority: <ul style="list-style-type: none"> ○ Register notice of sale on land registry and register property on the sales registry; ○ Communicate with and retain designated officer, bailiff or notary to proceed with sale under judicial authority; ○ Prepare and register Assignment of Claim in land registry; ○ Discharge notice of sale on land registry and sales registry, including discharge of Approved Lender’s mortgage, subsequent mortgages or other liens and encumbrances; ○ Prepare, serve and file to Court the scheme of collocation. • Prepare and register Deed of Assignment to CMHC on land registry.
Manitoba:

- Prepare and file Notice of Exercising Power of Sale (NEPS) in Land Titles Office and serve NEPS on mortgagor and all required parties;
- Prepare and advertise notice of public auction and serve on all required parties the notice of public auction and Order for Sale, as required.

2. Non-Standard Mortgage Enforcement

All Provinces

- Order for Substitutional Service/Alternative Service;
- Skip trace/private investigation;
- Additional writs/certificate of judgments (per writ);
- Reciprocal judgments where judgment debtor relocates or has property in another jurisdiction within Canada;
- Motion/Order to modify court approved listing or sale conditions;
- Preservation Order/Ordonnance de sauvegarde and similar orders;
- Application/order to vary or set aside tenancy;
- Prepare and file all applicable materials to arrange for migration of property from registry to land title systems where required;
- Eviction – prepare and serve the applicable notices, attend hearings, obtain eviction orders, and engage the services of a sheriff/bailiff or other authorized party to enforce orders to obtain vacant possession of the property.

3. Contested Mortgage Enforcement Proceedings

For contested mortgage enforcement proceedings, the CSP shall provide a bid outlining blended hourly rates for lawyers (inclusive of all partners and associates) and for support staff (inclusive of all paralegals and law clerks), disbursements and applicable taxes. All disbursements, whether external or internal, must be on a cost basis. The CSP will provide CMHC with a budget on all contested matters for approval prior to commencing any work.

SCHEDULE "D"

BUSINESS INTERRUPTION REQUIREMENTS

1. Business Continuity Plans

- (a) At the Contractor's cost and expense, the Contractor will prepare and deliver for CMHC's approval a Business Interruption plan that meets the minimum business continuity and disaster recovery requirements set forth in this Schedule (the "**Business Continuity Plan**").
- (b) In addition, the Parties will describe any additional business continuity, disaster recovery and testing requirements that are particular to the Services to be performed under any Statement of Work (the "**Additional Business Continuity Requirements**") in the Statement of Work. The Business Continuity Plan and any Additional Business Continuity Requirements are collectively referred to in this Schedule as the "**Business Continuity Requirements**".
- (c) The Contractor will comply with the Business Continuity Requirements.
- (d) The Contractor will not change the Business Continuity Requirements (including the location of any back-up sites) without obtaining the prior written consent of CMHC.

2. Minimum Requirements

- I. The Business Continuity Plan will be in writing and include, with detail appropriate for the Services, complexity of the environment and probability of occurrence the following minimum requirements:
 - (a) A description of the Parties, roles, responsibilities, procedures and processes required to (i) provide a coordinated approach in managing incident response activities at the time of any Business Interruption, and (ii) recover operations and services (including the Services) at the time of any Business Interruption;
 - (b) A crisis management plan consisting of communication and escalation processes applicable in the event of a Business Interruption, including the Contractor's (i) internal communication and escalations procedures(s) and (ii) external communication and escalation procedures to CMHC;
 - (c) Measures for minimizing (i) the loss or failure of the Contractor's required resources, including systems, data, hardware, software, premises or Contractor personnel; (ii) cost and (iii) duration of a Business Interruption;

- (d) Measures for protecting the personal safety of CMHC employees and contractors who are located on Contractor's premises during, or are otherwise affected by, a Business Interruption to the same extent the Contractor implements measures protecting the personal safety of the Contractor personnel;
 - (e) Measures for protecting CMHC's business operations and assets (including technology and CMHC intellectual property) and ensuring continuity of the Services in the event of a Business Interruption;
 - (f) Measures to ensure that CMHC has ready access to records needed to sustain business operations and meet regulatory/statutory requirements;
 - (g) A process for restoring the Services to full functionality after a Business Interruption has occurred within a time frame that satisfies the criteria set forth in the Agreement;
 - (h) A requirement for testing the Contractor Business Continuity Plan as required by this Schedule no less than once every twelve (12) months;
- II. The Contractor will:
- (a) Have and maintain, at a minimum, a secondary site for providing the Services that is (a) sufficient in size and capability to assume production responsibilities in accordance with the Agreement, (b) sufficient distance, as mutually agreed upon, from the primary site and is supplied by utilities (communication, transportation, water and power) from different sources, so as to minimize the likelihood that both sites would be affected by the same problem, and (c) equipped with all the necessary infrastructure required to support the Services;
 - (b) Have appropriate data backup synchronization between the primary and all additional recovery sites to allow for recovery of the Services;
 - (c) Document the technological recovery procedures for each system, application and service in both primary and all additional recovery sites that support the Services to CMHC;
 - (d) Ensure that Contractor's disaster recovery sites are maintained and integrated into Contractor's change management processes such that the Contractor's primary and disaster recovery sites are substantially similar;
 - (e) If applicable, the Contractor has and will provide to CMHC illustrations / schematics of how the Contractor's primary and additional recovery sites are set up to provide redundant service to CMHC;
 - (f) The Contractor will identify the length of time it can maintain its disaster recovery operations from additional sites and such time periods will be acceptable to CMHC.

3. Notice

The Contractor will immediately notify CMHC upon the occurrence of any event that may cause a Business Interruption including any operational incidents that might impact Contractor's performance of the Services in accordance with the Agreement, including the Service Levels.

4. Maintenance

The Contractor will implement and follow a Business Continuity Plan maintenance process which meets the following requirements:

- (a) No less than once every twelve (12) months (or more frequently if required due to changes in Contractor's operating environment), the Contractor will conduct a scheduled Business Continuity Plan maintenance and management review (including Crisis Management Plan) which must be completed with participation of both CMHC and the Contractor for those Services which are determined by CMHC to be critical or material to CMHC;
- (b) The Contractor and CMHC will identify (if applicable) any areas where improvement in the Business Continuity Plan is required and recommend appropriate steps to achieve such improvements.

5. Testing

The Contractor will implement a Business Continuity Requirements testing process as follows:

- (a) The Contractor will test the Business Continuity Arrangements no less than once every twelve (12) months (or more frequently if required due to changes in the Contractor's operating environment);
- (b) The Contractor's testing strategies will (i) demonstrate that the Contractor's Business Continuity Arrangements have the ability to sustain the Services until permanent operations are re-established, and (ii) include the testing scope and objectives / success factors, which clearly define what functions, systems, or processes being provided to CMHC that are going to be tested and what will constitute meeting objectives / a successful test;
- (c) The Contractor's testing strategies will include steps for testing of the technological recovery procedures required by Section 2.II.(c) of this Schedule;
- (d) The Contractor will, together with CMHC, ensure that the breadth and depth of testing activities are commensurate with the importance of the Services being provided to CMHC;

- (e) The Contractor will have tests conducted pursuant to this Schedule reviewed by Contractor's internal or external auditors;
- (f) Upon request, the Contractor will allow CMHC to participate in tests of the Business Continuity Arrangements;
- (g) The Contractor will notify CMHC as soon as possible if any of the Business Continuity Arrangements fail to complete a successful test as defined in accordance with Section 5(b). Such notice will provide (i) an assessment of such test results, including the identification of any gaps between the Business Continuity Plan and the actual test results, and (ii) the proposed resolution of any deficiencies/failures. The assessment should contain sufficient information so that CMHC can determine if the Contractor's Business Continuity Plan meets the objectives established. Contractor test owners will assign responsibility for resolution of material business continuity problems identified during testing and should track issues to ensure that they are effectively addressed in a timely manner;
- (h) The Contractor will, as part of its annual test, access and execute site testing at any additional recovery sites using the appropriate data backup solution as agreed to in conjunction with CMHC.

6. Assistance with CMHC plans

At CMHC's request, the Contractor will: (i) cooperate and participate to the extent required in the development and implementation of CMHC's business continuity and disaster recovery plans relating to the Services; and (ii) cooperate with and participate in CMHC's tests of such business continuity and disaster recovery plans once each 12-month period beginning on the Effective Date.

SECTION 7 APPENDICES

APPENDIX A

MANDATORY

7.1 Certificate of Submission

hereby:

Company Name

Procurement Business Number (PBN)

- I. agrees and understands that submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent's proposal, agrees to be bound by the terms and conditions in the draft Agreement in the event that the proponent is selected by CMHC to enter into a contract;
- II. agrees to comply with all of the draft Agreement MANDATORY clauses in an unaltered form as stated;
- III. offers to provide services and/or products to CMHC, as described in this proposal, on and if, as and when required basis, all in accordance with the Request for Proposal;
- IV. offers the terms as set out in this proposal, including any pricing proposal for a period of time as specified in section 2 of the RFP;
- V. certifies that, at the time of submitting this bid, is in full compliance with all tax statutes administered by all provincial, territorial and federal Ministries of Finance and that, in particular, all returns required to be filed under all provincial and federal tax statutes have been filed, and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained;
- VI. represents and warrants that in submitting the proposal or performing the Agreement, there is no actual or perceived conflict of interest;
- VII. represents and warrants that in preparing the proposal, there was no actual or perceived unfair advantage due to the receipt of information regarding the RFP that was not made available to other proponents;
- VIII. certifies that this proposal was independently arrived at, without collusion;
- IX. certifies that no gratuities or gifts in kind were offered to any CMHC employee, Board member or Governor-in-Council appointee; and intended, by the gratuity, to obtain a Agreement or favourable treatment under an Agreement;
- X. authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proposal;
- XI. certifies, unless explicitly outlined in the proposal, that all pricing information is based on service provision which, at a minimum, fully meets all of the existing service standards as outlined in the Statement of Work;
- XII. (for sole proprietorships and partnerships) provide permission herewith to CMHC to undertake credit checks on the individuals listed below (names, signatures and home addresses of each must be provided);
- XIII. agrees that, in the event of acceptance of this proposal, it will enter Agreement negotiations in accordance with the RFP, and upon entry into an Agreement with CMHC, it will commit to providing the full scope of services identified in the Agreement;
- XIV. agrees that all responses and related materials become the property of CMHC, will not be returned and CMHC will not reimburse the proponent for any work related to, travel or materials supplied in the preparation of the RFP response;
- XV. agrees that it and any other persons for which it is responsible, who are to perform the work as stated in this RFP, at the request of CMHC will comply with security screening as deemed appropriate.

Signed this _____ day of _____, 20____ at

_____, Canada.

Corporations are not required to provide a corporate seal. The signature of one witness is required for the signature of each Owner/Signing Authority.

Corporation/Individual:

Signature of Signing Authority

Name and Title of Signing Authority

Declaration: I have the authority to bind the company.

APPENDIX “B”

7.2 Legal Services

Legal Proceedings for Mortgage Enforcement

This Appendix “B” outlines the minimum standards a Claim Service Provider (“CSP”) is expected to achieve in providing legal services on every file and is not an exhaustive list of all legal steps that may be required. The CSP shall follow the court process and legislation applicable in the respective provincial and territorial jurisdiction to protect and preserve CMHC’s interests.

This Appendix “B” is divided into three parts: (1) Standard Mortgage Enforcement, (2) Non-Standard Mortgage Enforcement and (3) Contested Mortgage Enforcement Proceedings. Standard Mortgage Enforcement comprise those that are required on all files on a national basis, as well as any additional or complementary step(s) required by province or territory. Depending on the jurisdiction, multiple avenues for mortgage enforcement may be available, e.g. British Columbia – Order Absolute or Order for Conduct of Sale. The CSP’s bid is expected to reflect the multiple avenues for mortgage enforcement, by province and territory and should be inclusive of internal and external disbursements and taxes. Non-Standard Mortgage Enforcement comprise legal steps that are common, but not necessarily required for every file. The CSP is expected to provide a bid on these items, nationally, and not by province or territory. Contested Mortgage Enforcement Proceedings are those where a party has contested the legal proceedings.

1. Standard Mortgage Enforcement

<u>National</u>
General, File Activation, Assessment & Reporting
<ol style="list-style-type: none"> 1. Obtain and review file and instructions from client. Prepare statement of amount owing under mortgage, and obtain any further required documents from Approved Lender, CMHC or other party. Identify any potential mortgage issue(s). Determine appropriate mortgage enforcement remedy (e.g. power of sale, foreclosure); 2. Draft and serve Demand Letter to Mortgagor; 3. Prepare and serve <i>Bankruptcy & Insolvency Act</i> Notice of Intention Enforce Security, where applicable; 4. Searches: 5. On Title – Search and Review of Title (including review of deed, registered mortgage, encumbrances such as liens and executions/judgment); and 6. Off Title – Complete off-title searches for liens and encumbrances impacting marketability of title including tax, mechanics/construction liens, water, condominium liens, execution/judgment searches, bankruptcy and insolvency search, and any others where deemed required by a prudent solicitor;

7. Manage ongoing communications with all parties with an interest in the property including, the defaulting borrower/covenantors/guarantors, registered encumbrancers on title whether prior or subsequent (i.e. prior mortgagee, condominium corporation). This includes settlement negotiations and agreements with the defaulting borrower/covenantors/guarantors prior to redemption rights being extinguished;
8. Upload and transmit all information and documents to CMHC;
9. Prepare final reporting to CMHC on all aspects of the file;
10. Coordinate and execute all applicable documents on behalf of CMHC, subject to CMHC's authorization;
11. Provide general advice from time to time regarding updates in legislation or jurisprudence relating to mortgage enforcement and related matters and provide recommendations on process or procedural amendments;
12. Provide CMHC with assistance to transition files to CMHC or any other party designated by CMHC, upon written request by CMHC. The CSP shall provide all consents (if applicable).

Litigation

1. Commence mortgage enforcement proceeding by issuing statement of claim, petition or notice of (mortgage) sale/action or obtain leave of the court, as required. Where applicable draft, file and serve certificate of pending litigation with the applicable registry (court or land registries);
2. Draft all required documents. Serve all required parties (including all with an interest in the mortgaged property) in the applicable form of service as required by local court process or legislation. File/register documents at the applicable registry (court and land titles registries);
3. Obtain appraisal, comparative market analysis and/or opinion of value of land as required;
4. Note mortgagor in Default and Draft Default Judgment, where applicable;
5. Draft, File and Serve all other required documents (including supplementary documents) to obtain court orders permitting the possession (if applicable) and sale of the property. For example, court orders include: Order Nisi (including judgment), Order for Conduct of Sale, Order Approving Sale, Order for Sale to Plaintiff and Judgment, Final Order for Foreclosure/Order Absolute, Redemption Order including Order Confirming Sale Accepting Tender and Vesting Title, Order Nisi for Foreclosure, Final Order for Foreclosure, Vesting Order, Order Nisi for Sale, Order Confirming Sale, Order for Declaration of Value Owing (where bankruptcy occurs), Emergency Order (Preservation Order);
6. Includes all court attendances. Enter all judgments and orders and serve all necessary parties;
7. Prepare and file assignment of judgment from Approved Lender to CMHC in the applicable registry (court and land registries), where judgment is not already obtained in favor of CMHC. Prepare all materials to obtain deficiency judgment against all defaulting borrower/covenantors/guarantors in favor of CMHC;

8. Prepare an assignment from the Approved Lender to CMHC of the Approved Lender's rights in relation to the borrower(s), any guarantor(s), and any covenantor(s), the property, the mortgage, other security, and other insurance and indemnity funds related to the insured loan. This would include Assignment of Mortgage/Security/court orders enabling CMHC to sell the property, Title Transfer from the Approved Lender to CMHC, if applicable;
9. Draft and file/register assignment of mortgage/security or deed from Approved Lender to CMHC;
10. File all applicable writs/certificate of judgments against each judgment debtor with the applicable registry (i.e. court and land registries) in favour of CMHC. The Standard Mortgage Enforcement includes 2 writs/certificates of judgment per file. Any additional writs/certificates of judgment are subject to Non-Standard Enforcement costs as determined;
11. Prepare and file bill of cost for review by assessment clerk, where applicable;
12. Discharge any mortgages, liens or encumbrances on the property to ensure that CMHC obtains clear and marketable title (i.e. certificate of pending litigation, personal property security interest, etc.);
13. Communicate with court and land title registrars.

Bankruptcy/Consumer Proposal/ CCAA

1. Prepare, file and update secured and unsecured proof of claim(s) against all borrower/covenantors/guarantors in favour of CMHC. Prepare, coordinate execution of bankruptcy trustee deeds to transfer to CMHC the right to sell the property (where applicable);
2. Manage ongoing communications with trustees and all parties with an interest.

Conveyance of Property

C. Sale by Approved Lender to CMHC

1. Where foreclosure order/order absolute is obtained, prepare and file deed from Approved Lender to CMHC in the applicable registry (court and land registrars). Refer to the Additional or Complementary Provincial Steps for NB, PEI, NFLD, Quebec, and Ontario.

D. Sale by CMHC to 3rd Party Purchaser

1. Obtain and review up-to-date Title Search;
2. Prepare Listing Agreements, Agreements of Purchase and Sale, subject to court approval as required;
3. Communicate with real estate agents and third party purchaser or their real estate agents or solicitors;
4. Prepare of all documents related conveyancing and property sale closing;
5. Prepare of deed to third party purchaser;
6. Prepare statement of mortgagee's accounting as required;
7. Prepare reporting to CMHC.

Filing of Property Valuation Indemnity Insurance Claim

<ol style="list-style-type: none"> 1. Where the loan is insured by property valuation indemnity insurance, review file and submit a claim to the property valuation indemnity insurer on behalf of CMHC if there is a loss after sale of the property to a third party; 2. Review and obtain CMHC approval of settlement offer by insurer on property valuation indemnity insurance claim; 3. Communicate with Approved Lender, CMHC and property valuation indemnity insurer as necessary, including document submission between the interested parties; 4. Where applicable, prepare assignment of judgment from CMHC to the property valuation indemnity insurer.
<p>Mobile/Modular Home</p> <ol style="list-style-type: none"> 1. Complete all Litigation steps as applicable for a mobile/modular home; 2. Obtain and review <i>Personal Property Security Act (PPSA)</i> search; 3. Prepare and serve all applicable notices, including but not limited to notice of disposition of collateral and intention to enforce security and demand for possession as required under personal property security legislation or other applicable legislation; 4. Obtain right for CMHC to sell property either through assignment of security agreement or equivalent or transfer of title (i.e. Bill of Sale); 5. Draft and register in the applicable registry either an assignment of the security agreement or equivalent or Bill of Sale from Approved Lender to CMHC; 6. Where applicable, retain Sheriff to seize and sell the chattel; 7. Discharge security interest/lien registration or equivalent pursuant to legislation.
<p>Leasehold:</p> <ol style="list-style-type: none"> 1. Confirm lease details and obtain Lessor's consent to the assignment of Lease to CMHC and/or third party lessor.
<p>Tenanted Properties:</p> <ol style="list-style-type: none"> 1. Where directed by CMHC, prepare all documents and complete all tasks necessary (including obtaining confirmation of existing lease agreement terms) to enable CMHC to collect rents (whether by attornment or otherwise as landlord) and to obtain the cooperation of the tenant with respect to the property inspection, appraisal, maintenance and showings of the property by real estate agents.
<p>Distribution of Surplus Funds:</p> <ol style="list-style-type: none"> 1. Provide assessment and recommendation on the distribution of surplus funds; prepare mortgagee accounting as required; 2. Where directed by CMHC, either (a) distribute the surplus funds to parties with an interest in the surplus funds (i.e. mortgagees, borrower, lien claimants), or (b) prepare, file and serve motion materials for and obtain court order for payment of surplus funds into court.

Additional or Complementary Provincial Steps
Nunavut
<ul style="list-style-type: none"> • Confirm that Consent to Leasehold Mortgage Agreement consistent with CMHC's Leasehold Lending requirements.
British Columbia
<ul style="list-style-type: none"> • Draft and send <i>Farm Debt Mediation Act</i> Notice where applicable; • Off-Title Search – including assessment searches; • Draft and file assignment of Approved Lender's rights in relation to the mortgage, property, foreclosure, CPL, court orders, judgments, right to list and sell the lands subject to court approval to CMHC; • Where Order Absolute is obtained by Approved Lender, draft and register deed from Approved Lender to CMHC.
Saskatchewan
<ul style="list-style-type: none"> • Prepare a Notice of Intention and serve it on the Provincial mediation Board.
Atlantic (New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador)
Auction
<ul style="list-style-type: none"> • Prepare and advertise notice of (mortgage) sale/public auction as required, and serve on all required parties including the Sheriff where applicable; • Retain auctioneer; • Attend at mortgage sale/auction in local county where property is located; • Open and review tenders; • Prepare conditions of sale and reserve bid and bidding papers; • Draft, file and serve all required documents including Affidavit of Conduct of the Auction, Affidavit of Publication, HST Affidavit; • Draft and register deed under power of sale to Approved Lender, and draft and register deed from Approved Lender to CMHC; where applicable, deed under power of sale to be registered in name of CMHC directly. Or, draft and register deed under power of sale to third party purchaser at auction.
Quebec
<ul style="list-style-type: none"> • Prepare, serve and publish 60 day prior notice of enforcement in the applicable land registry; • Prepare motion for and obtain judgment authorizing sale by judicial authority (with personal condemnation) or taking in payment; • Obtain Certificate of no appeal; • Taking in Payment: <ul style="list-style-type: none"> ○ Prepare and file summary of sale, judgment, certificate of no appeal and assignment of title in land registry. • Sale by Judicial Authority: <ul style="list-style-type: none"> ○ Register notice of sale on land registry and register property on the sales registry; ○ Communicate with and retain designated officer, bailiff or notary to proceed with sale under judicial authority;

<ul style="list-style-type: none">○ Prepare and register Assignment of Claim in land registry;○ Discharge notice of sale on land registry and sales registry, including discharge of Approved Lender's mortgage, subsequent mortgages or other liens and encumbrances;○ Prepare, serve and file to Court the scheme of collocation.● Prepare and register Deed of Assignment to CMHC on land registry.
Manitoba:
<ul style="list-style-type: none">● Prepare and file Notice of Exercising Power of Sale (NEPS) in Land Titles Office and serve NEPS on mortgagor and all required parties;● Prepare and advertise notice of public auction and serve on all required parties the notice of public auction and Order for Sale, as required.

2. Non-Standard Mortgage Enforcement

All Provinces
<ul style="list-style-type: none">● Order for Substitutional Service/Alternative Service;● Skip trace/private investigation;● Additional writs/certificate of judgments (per writ);● Reciprocal judgments where judgment debtor relocates or has property in another jurisdiction within Canada;● Motion/Order to modify court approved listing or sale conditions;● Preservation Order/Ordonnance de sauvegarde and similar orders;● Application/order to vary or set aside tenancy;● Prepare and file all applicable materials to arrange for migration of property from registry to land title systems where required;● Eviction – prepare and serve the applicable notices, attend hearings, obtain eviction orders, and engage the services of a sheriff/bailiff or other authorized party to enforce orders to obtain vacant possession of the property.

3. Contested Mortgage Enforcement Proceedings

For contested mortgage enforcement proceedings, the CSP shall provide a bid outlining blended hourly rates for lawyers (inclusive of all partners and associates) and for support staff (inclusive of all paralegals and law clerks), disbursements and applicable taxes. All disbursements, whether external or internal, must be on a cost basis. The CSP will provide CMHC with a budget on all contested matters for approval prior to commencing any work.

APPENDIX C

7.3 Evaluation Table

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE AxB
<p>Criteria 1 - Proponent's Qualifications (Section 4.5)</p> <p>The proposal will be evaluated on the full description of the Services Provider, qualifications and experience of the assigned personnel.</p> <p>a) Description of firm b) Resumés c) Office Locations</p>	20		70	
<p>Criteria 2 – Response to Statement of Work (Section 4.6)</p> <p>Does the proposal demonstrate that the Proponent will comply with CMHC business service standards as specified in the RFP, including turnaround time, and geographic coverage?</p>	45		157.50	
<p>Criteria 3 – Project Management Plan (Section 4.7)</p> <p>(a) Project Management Approach (b) Quality Control (c) Status Reporting to CMHC (d) Work Schedule (e) Interface with CMHC (f) Plan for ensuring continuous improvement</p>	30		122.50	

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE AxB
Criteria 4 – Innovation and Value Added (Section 3.3.13) Does the proposal demonstrate innovative solutions that improve CMHC organizational performance and provide better quality products?	5		N/A	
TOTALS	100			
All proponents must meet the upset score in each of the above criteria to proceed to the Pricing evaluation. The proponent with the lowest priced proposal meeting the upset scores in each criteria above will be named the lead proponent(s).				
Did the proponent meet the upset scores in each of the above criteria?	YES		NO	

APPENDIX D

7.4 Pricing Proposal

In responding to the RFP the Proponent should complete all sections.

A. Legal Services

The CSP’s bid on legal services shall be set out in the chart below and state an aggregate (inclusive of all disbursements) tax inclusive total.

Section 1: Standard File – refers to files that only involve completion of the standard mortgage enforcement steps as referred to in Section 1 of Appendix “B” – Legal Proceedings for Mortgage Enforcement.

Section 1: Standard File	
Jurisdiction	Standard Mortgage Enforcement Steps
British Columbia	
Alberta	
Saskatchewan	
Manitoba	
Ontario	
Quebec - Judicial Sale	
Quebec - Taking in Payment	
Prince Edward Island	
New Brunswick	
Nova Scotia	
Newfoundland & Labrador	
Nunavut	
Northwest Territories	
Yukon	

Section 2: Non-Standard Mortgage Enforcement – refers to quotes for the completion of the stated items.

Section 2: Non-Standard Mortgage Enforcement									
Jurisdiction	Substitute/Alternative Service Order	Skip Trace/Private Investigation	Additional Writ / Certificate of Judgment (quote per writ)	Reciprocal Judgment	Order to modify court approved listing or sale conditions	Preservation Order / Ordonnance de sauvegard and similar Orders	Order to vary or set aside tenancy	Migration of property from land registry to land title systems.	Tenanted Properties: Eviction of tenants
British Columbia									
Alberta									
Saskatchewan									
Manitoba									
Ontario									
Quebec (Judicial Sale)									
Quebec (Taking in Payment)									
Prince Edward Island									
New Brunswick									
Nova Scotia									
Newfoundland & Labrador									
Nunavut									
Northwest Territories									
Yukon									

Section 3: Contested Mortgage Enforcement/Other Legal Proceedings – refers to quote stating the blended hourly rates for lawyers (inclusive of all partners and associates) and for support staff (inclusive of all paralegals and law clerks), disbursements and applicable taxes.

Defendant's motion to set aside judgment, improvident sale, other contested legal proceedings:

Blended Hourly Rate (Lawyers) \$ _____

Blended Hourly Rate (Support Staff) \$ _____

Section 4: Termination: refers to quotes, on a per file basis, for the completion of the transfer of files to be transitioned to a party designated by CMHC.

Section 4: Termination	
Jurisdiction	Transition of file to another party designated by CMHC
British Columbia	
Alberta	
Saskatchewan	
Manitoba	
Ontario	
Quebec - Judicial Sale	
Quebec - Taking in Payment	
Prince Edward Island	
New Brunswick	
Nova Scotia	
Newfoundland & Labrador	
Nunavut	
Northwest Territories	
Yukon	

A. Securing and Property Management Services

Proponent is to provide an all-inclusive fixed monthly fee that includes all services described in Section 3.3.3 of this RFP. This fee will be prorated for the portion of time that the property is assigned up until the sale closing date.

Monthly fee \$ _____

B. Appraisal Services

Proponent is to provide an all-inclusive price to complete an appraisal as describe in Section 3.3.2 of this RFP for each province or territory.

Appraisal Services	
Jurisdiction	Fee
British Columbia	
Alberta	
Saskatchewan	
Manitoba	
Ontario	
Quebec - Judicial Sale	
Quebec - Taking in Payment	
Prince Edward Island	
New Brunswick	
Nova Scotia	
Newfoundland & Labrador	
Nunavut	
Northwest Territories	
Yukon	

D. Real Estate Marketing and Sales

Proponent must outline the commission rate to be charged for selling the property. The commission rate is to include all items detailed in Section 3.3.4 of this RFP. To ensure that the commission rate quoted never results in a fee that is too low, the proponent is asked to quote a minimum dollar amount of commission payable for each province or territory.

Real Estate Marketing and Sales		
Jurisdiction	Commission rate (% of selling price)	Minimum dollar amount of commission (\$)
British Columbia		
Alberta		
Saskatchewan		
Manitoba		
Ontario		
Quebec		
Prince Edward Island		
New Brunswick		
Nova Scotia		
Newfoundland & Labrador		
Nunavut		
Northwest Territories		
Yukon		

APPENDIX E

7.5 Mandatory Compliance Checklist

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Submission Deadline | Section 2.3.1 |
| <input type="checkbox"/> Offering Period | Section 2.7 |
| <input type="checkbox"/> Proponent's Qualifications | Section 4.5 |
| <input type="checkbox"/> Response to Statement of Work | Section 4.6 |
| <input type="checkbox"/> Project Management Plan | Section 4.7 |
| <input type="checkbox"/> 7.1 Certificate of Submission | (Section 7 Appendices, Appendix A) |
| <input type="checkbox"/> 7.4 Pricing Proposal | Section 7 Appendices, Appendix D) |