

SUSTAINABLE COMMUNITIES

innovation challenge



Phase 1: Request for Proposals (RFP)



Fannie Mae®

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Overview of the Sustainable Communities Innovation Challenge

Affordable housing within a sustainable community — one that includes access to quality employment, health and wellness, and education opportunities — provides better lives for its residents. But today, too few Americans have access to these kinds of communities. To spur innovation, incubate new ideas, and forge new partnerships to help Fannie Mae address the affordable housing crisis in America, Fannie Mae is excited to announce the launch of the Sustainable Communities Innovation Challenge (The Challenge).

Fannie Mae defines “sustainable communities” as safe, stable, thriving, vibrant communities that provide residents with integrated access to quality affordable housing and quality economic, health, and educational opportunities.

The Challenge is a two-year \$10 million investment by Fannie Mae to generate affordable housing solutions that will help Fannie Mae address the nation’s affordable housing issues by advancing sustainable communities – those providing residents opportunities for employment, health and wellness, and education. Through The Challenge, Fannie Mae seeks to attract and advance innovative ideas that address the nation’s housing needs and improve peoples’ lives by:

- Expanding access, by reducing barriers and/or creating incentives, to safe, affordable housing within existing sustainable communities; and/or
- Advancing sustainable communities where safe, affordable housing already exists.

By illuminating affordable housing problems and attracting creative solutions, we can generate new business and opportunities that support our goals as defined by our regulator, the Federal Housing Finance Agency (FHFA), in our annual Scorecard, such as:

- Increasing access to single-family mortgage credit for creditworthy borrowers by conducting research to assess new opportunities, and developing pilots and initiatives that address the changing needs of homebuyers and homeowners.
- Expanding liquidity in multifamily affordable housing by conducting research and analysis and exploring new opportunities – especially in the areas of workforce housing, affordability in high-cost and very-high cost areas, and targeted affordable housing – so renters have more quality, affordable housing options.

We understand that the affordable housing crisis is inextricably linked to other adjacent sectors, and that is why it is critically important to seek ideas from outside of Fannie Mae and our traditional housing industry partners. Together, through The Challenge, we can uncover and explore new ways that Fannie Mae can help address our nation’s affordable housing needs.

The Challenge will contribute to Fannie Mae's broader efforts to address the lack of affordable housing through two strategies: nurturing fresh ideas and identifying new partners. To nurture **fresh ideas**, The Challenge will award contracts to organizations and/or individuals that can identify, catalyze, test, and scale promising innovations to increase access to safe, affordable housing in sustainable communities. To identify **new partners**, The Challenge will identify, engage, and build strategic partnerships with individuals and organizations in the public, private, and nonprofit sectors that will enhance and build upon Fannie Mae's efforts to advance affordable housing within sustainable communities.

The Challenge embraces learning and collaboration. Fannie Mae operates under the firm belief that we do not have all the answers, and that the best way to foster sustainable communities is to find and support promising innovations while forging collaborative partnerships that cross traditional boundaries of sector, field, and approach.

Fannie Mae anticipates that contract awardees will learn valuable lessons while we work together to develop, implement, and scale projects. To that end, contract awardees will regularly share progress and lessons learned with Fannie Mae and their fellow contract awardees, and they will engage in learning opportunities to identify insights, trends, and partnerships that can advance each other's work. In doing so, Fannie Mae is working to strengthen cross-sector collaboration to address the nation's housing issues.

The Challenge welcomes proposals from public, private, and nonprofit organizations and businesses, as well as from individuals and cross-sector teams from across the country. The Challenge embraces a broad definition of innovation. Innovative ideas may accelerate the development of promising ideas or interventions to better serve communities, or they may disrupt current practice to serve communities in radically different ways. Applicants from outside the traditional affordable housing sector are particularly encouraged to apply. The Challenge will invite proposals for three types of projects:

1. **Research and Design:** Early stage ideas, such as applied research, planning or feasibility studies, or design of prototypes, processes, model policies, or pilots;
2. **Idea Development:** Slightly later-stage technology prototypes; model policies, processes, practices, and/or, pilot programs that are ready for testing, initial implementation, and/or refinement; and
3. **Scaling:** Technologies, policies, practices, and/or programs that have shown promise in initial testing and piloting, and are ready for growth, diffusion, and/or replication.

The Challenge is seeking proposals that can help us ultimately scale promising ideas and/or generate knowledge about how to effectively increase access to affordable housing within sustainable communities. Fannie Mae expects to work with other industry partners to support implementation, testing, and piloting.

The Challenge plans to offer three contract award phases, each with a specific theme. The first phase, launching on December 18, 2017 and accepting proposals through February 23, 2018, will focus on the

intersection of affordable housing and economic development/employment. It will invite proposals for two types of projects: Research and Design, and Idea Development. Future phases may invite efforts that are ready for scaling. The Challenge will only award contracts for projects conducted within the United States.

Fannie Mae has engaged an Expert Advisory Panel to support The Challenge in identifying the most innovative and promising ideas and approaches. The Phase One panel is comprised of experts in economic development/employment and innovation, and represents the public, private, and nonprofit sectors. Its role is to provide guidance and impartial reviews of Phase One proposals. In addition, Fannie Mae has retained Arabella Advisors, a social impact consulting firm, as its design and implementation partner for The Challenge. Arabella will support Fannie Mae in managing The Challenge. All final contract award decisions will be made by Fannie Mae.

For more information about The Challenge and to apply, please visit www.fanniemae.com/thechallenge. Interested applicants must complete all required sections of the online application to apply.

Overview of Phase One

The first contract award phase of The Challenge will focus on the intersection of affordable housing with economic development/employment. Fannie Mae is seeking ideas to:

- Expand access to affordable housing in sustainable communities where strong employment opportunities are typically accompanied by high housing costs; and
- Improve access to quality employment opportunities for residents of existing affordable housing, while making sure housing is affordable to more people.

Successful applicants for Phase One of The Challenge will advance innovative ideas to ensure that more people can live and work in sustainable communities.

Eligible Applicants

For Phase One of The Challenge, we invite public, private, and nonprofit sector organizations, as well as individuals and cross-sector teams from across the country, to submit applications for contract awards. Note that applicants applying as individuals or teams of individuals will need to demonstrate that they are an established business entity or partner with an established entity if selected as a contract awardee (see Contracting section below). Proposals from cross-sector teams that combine and integrate experience from multiple sectors are particularly encouraged. Applicants are welcome to submit multiple proposals for distinct scopes of work. Only domestic (U.S.) projects are eligible for Challenge contracts.

To be eligible, all applicants must:

- Consent to The Challenge Submission Terms and Conditions (see Appendix III)
- Provide the listed Contracting materials (See Contracting section below)

The following entities are not eligible to submit proposals:

- Current Fannie Mae employees and individual contractors and consultants (on-boarded as such). (Note: Fannie Mae customers and suppliers are eligible to apply.)
- Members of The Challenge Expert Advisory Panel and organizations for which they are on staff or serve on boards.
- Offices of federal, state, or local elected officials.

Eligible Projects

Phase One seeks proposals for innovative technologies, policies, practices, and/or programs for the following types of projects. Projects that can show meaningful progress in three to six months are particularly encouraged to apply.

1. Research and Design

Eligible scopes of work: Development of early stage ideas, including applied research, planning and/or feasibility studies; the design of prototypes, processes, model policies or pilot programs

Maximum Contract Award Amount: \$250,000

Implementation Timeline: Up to 24 months

2. Idea Development

Eligible scopes of work: Refinement of later-stage concepts, technologies, policies, practices, and/or programs that are ready for testing, initial implementation, and/or refinement

Maximum Contract Award Amount: \$500,000

Implementation Timeline: Up to 24 months

Eligible Use of Funds

The Challenge will select projects that identify, test, and/or implement innovative strategies to improve access to and build sustainable communities. Funds awarded by contract must be used solely for implementing projects selected by Fannie Mae to pay for:

- Applied research;
- Execution of planning, design, or feasibility studies;
- Design of prototypes, processes, pilots;
- Testing of new or improved technologies, policies, practices, and/or programs; and/or
- Implementation of new or improved technologies, policies, practices, and/or programs.

Challenge funds cannot be used to subsidize ongoing operational costs nor expenses associated with electoral or legislative lobbying (note: activities related to public education are eligible). Applicants and contract awardees will retain all intellectual property created before and during The Challenge, and will provide Fannie Mae with a limited license to that intellectual property for purposes of research and learning.

Selection Process & Criteria

Selection Process

The Challenge review committee will first screen all proposals for eligibility and then review eligible proposals for competitiveness against the selection criteria. As needed, the committee will follow up with applicants with any clarifying questions or requests for additional information. Following the initial screen and review, the Expert Advisory Panel will review semi-finalist proposals. Finally, the Fannie Mae Selection Committee will review the Expert Advisory Panel's recommendations to make final contract award decisions. Upon notification of their selection, Phase One contract awardees will work with Arabella Advisors and Fannie Mae to complete the items listed in the Contracting section below.

Selection Criteria

Proposals will be assessed according to the following criteria:

1. Applicant Experience and Capacity

- Demonstrated experience and familiarity with the issue area and community or communities that the proposed scope of work would impact, including the critical factors that improve access to sustainable communities
- Expertise and sufficient capacity to carry out the proposed project
- Integration of experience and expertise from multiple sectors

2. Strategic Alignment and Innovation

- Clear articulation of the specific problem, barrier, or opportunity the proposed project addresses, and how the proposed project addresses both the problem and the overarching goals of The Challenge
- Clear description of how the proposed project advances innovation at the intersection of affordable housing and economic development/employment
- [If applicable] Specific explanation of how the proposed project builds on prior and/or current efforts to address similar or related problems

3. Scope of Work and Project Budget

- Clarity of project plan (including activities, implementation timeline, and milestones) and deliverables
- A budget proposal that aligns with the activities, skills, and resources required to effectively execute the scope of work

4. Measurement and Learning

- Clarity and specificity of expected outputs (i.e., results of project activities)
- Clarity and specificity of short-term outcomes (i.e., measurable changes as a result of the project's activities)

In addition, applicants are encouraged to develop proposals that meet the following criteria:

- Project timelines that show meaningful progress within three to six months, even if the full project timeline is longer
- Identified and/or potential co-funders, investors, and/or partners
- Project teams that include experience and/or expertise from outside of the traditional affordable housing sector

Proposal Submission

Application

Please see Appendix I for information and content for the Application. **Phase One proposals are due by February 23, 2018 at 5:00 p.m. Pacific Time.**

Proposal Submission Process

Applicants will submit their proposals and other required documents through the online application portal accessible on Fannie Mae's website at www.fanniemae.com/thechallenge. Proposals or supplementary materials submitted in any other way will not be accepted. The online application portal is optimized for Chrome, Safari, and Firefox. Applicants should use one of these browsers, if possible. Applicants using Internet Explorer will be prompted via a pop-up advising them to adjust their settings to improve usability. To complete the online proposal, each applicant or applicant team must create an account by registering with an email address and password. Organizations or individuals submitting multiple separate proposals will need to register a new account with a different email address on the online application portal for each proposal. Teams submitting proposals must designate one individual as project lead. The project lead is responsible for submitting the final proposal and will be the primary contractor for the award; other team members will be subcontractors.

The Challenge's online application portal includes prompts for all necessary information, including proposal materials that applicants will need to upload. The application is detailed in Appendix I, and an overview of the materials applicants will need to submit is below. The online application portal will also ask applicants to make certifications acknowledging that they understand that they are required to submit specific proposal materials to apply and to complete required contracting materials to receive the award of a contract.

Timeline

Date	Event
December 18, 2017	Fannie Mae announces The Challenge and launches the Phase 1 RFP
January 17, 2018	Applicant Informational Webinar 1
January 30, 2018	Applicant Informational Webinar 2
February 23, 2018	Proposal Deadline (5pm PT)
May 2018	Fannie Mae informs selected contract awardees
June 2018	Fannie Mae announces the contract awards to the public

Applicant support

Arabella Advisors, Fannie Mae's design and implementation partner for The Challenge, will provide informational and logistical support to applicants during the proposal development period. This support will include hosting informational webinars for potential applicants and responding to applicant questions.

Webinars

Fannie Mae and Arabella Advisors will hold two applicant webinars during the proposal development period. The purpose of these webinars is to support successful submission of eligible applications, not to advise applicants on the content or merits of ideas or proposals. The webinars will be recorded and posted publicly on www.fanniemae.com/thechallenge.

Both webinars will include a question and answer period. Applicants can submit questions for each of the webinars in advance by emailing fanniemaeinnovation@arabellaadvisors.com. Registration information for these webinars will be available on the Fannie Mae website: www.fanniemae.com/thechallenge.

Questions

Applicants may submit questions at any time during the application period by emailing fanniemaeinnovation@arabellaadvisors.com. Questions submitted via this email address or during the applicant webinars will be added to a list of Frequently Asked Questions (FAQs), which will be posted on The Challenge online application portal. See Appendix II for the current list of FAQs.

Contracting

If selected as a contract awardee, applicants will be required to complete the following:

- **Demonstrate Established Business Entity:** Upon selection as a contract awardee, participants will need to show proof of established business entity to include, but not limited to Sole Proprietorships, Partnerships, Corporations, S Corporations, Limited Liability Company, and 501(c) (3) organizations.
- **Contract:** Contract awardees will be required to sign a Research & Development services agreement (see a sample services agreement in Appendix IV) and a statement of work.
- **Supplier Checklist:** Contract awardees must submit a completed W-9 form, direct deposit form, proof of insurance (see Appendix IV, Exhibit 2 for required levels of insurance), and a copy of a payment invoice.
- **Registration on Fannie Mae's Online Procurement Portal:** Contract awardees must register on Procure One, Fannie Mae's online procurement portal.
- **Participation in Risk Review:** Fannie Mae will perform a risk review of awardees through the Treasury's Office of Foreign Assets Control, Equifax, and its internal third-party review process. Selected contract awardees must agree to this review.
- **Awardee support and monitoring:** Upon selection, contract awardees will be required to participate in a phone call with Fannie Mae and Arabella Advisors to finalize their projects' monitoring and learning objectives, and ensure that they are realistic and measurable. Once awardee contracts are finalized, awardees will be required to participate in the following:
 - Submission of brief mid-term and final reports describing projects' progress to date toward objectives, successes, and challenges. Fannie Mae will provide templates for these reports.
 - Monthly check-ins with Fannie Mae and Arabella Advisors (via email or brief phone calls) to share informal reflections on project learnings.
 - Quarterly webinars that assemble all contract awardees to reflect on project progress and challenges and to nurture cross-sector connections. Experts from relevant fields may also participate in these webinars to provide additional guidance and input on project implementation.
 - In-person Fannie Mae learning visits of select contract awardee projects, to gain first-hand exposure to project learning and to provide hands-on support and guidance to contract awardees.

Please note that contract awards will be structured as deliverables-based contracts. Disbursements of funds to contract awardees will be tied to completion of specific project milestones or deliverables described in the contract.

Overview of Fannie Mae

Fannie Mae serves the people who house America. The corporation is a leading source of financing for mortgage lenders, providing access to affordable mortgage financing in all markets at all times. Fannie Mae's financing makes sustainable homeownership and workforce rental housing a reality for millions of Americans.

Following a national listening tour in early 2017, Fannie Mae launched the Sustainable Communities Partnership and Innovation Initiative to explore and form new partnerships to holistically improve access to quality affordable housing linked with other stepping stones to opportunity. This initiative aims to become a catalyst for innovative partnerships that will lead to the preservation of, increased access to, and supply of affordable housing. The Challenge joins other public-facing programs under the Sustainable Communities Partnership and Innovation Initiative, including: *Healthy Housing Rewards*, a program that provides financial incentives for borrowers who incorporate healthy design features, such as common space, community gardens, or playgrounds, in their multi-family affordable rental properties; and *Future Housing Leaders*, a recruiting program designed to increase the recruitment of diverse, entry-level talent for paid summer internship positions with employers from across the housing industry.



Appendix I: Application

Applicants will prepare and submit proposals on The Challenge's online application portal, accessible through www.fanniemae.com/thechallenge. A complete application will include responses to the items below:

Project Narrative

1. Applicant Overview

- Name of the primary applicant organization (project lead).
- Project lead's sector: public, private for-profit, nonprofit/philanthropic, or individual.
- Contact information for the project lead.
- Please indicate if you are applying as a team (i.e., as two or more organizations or individuals). If yes, please submit the names of other team members (subcontractor organizations/individuals) and their contact information.
- Please indicate if any team members or their organizations have current or preexisting personal or professional relationships with Fannie Mae. If so, please explain. (Note: having a previous relationship with Fannie Mae is neither required nor disqualifying, but it must be disclosed.)
- Describe the roles of each team member and the project team's qualifications to implement the proposed scope.
- For teams, please include an executed memorandum of understanding (MOU) outlining central roles and responsibilities of the team members.

2. Proposed Scope of Work

- Title, Project Type (Research and Design or Idea Development), executive summary of the proposed project, and the requested contract award amount.
- Provide a description of the proposed project, including an overview of the:
 - Specific problem, barrier, or opportunity the proposed project addresses.
 - Way in which the proposed project aligns with and supports the goals of The Challenge and the Phase One focus on strengthening links between affordable housing and economic development/employment.
 - Way in which the proposed project is innovative. If applicable, way in which the proposed project will learn from and/or build on prior and/or current efforts to address similar problems.
 - Geographic focus: neighborhood, city, region/metropolitan area, state, or national, and the specific location the project will impact.
 - Demographic focus, including affected populations and how the project will support lower income and underserved populations.
 - Project deliverables, including timeline for completion of each.
- For Idea Development projects only, describe:
 - The research and design process that you have already undertaken to advance your project to its current state, and why it is ready for testing, implementation, and/or refinement.

3. Project implementation

- Provide a detailed project timeline, including important activities and their expected duration and project milestones.
- Describe the primary risks of the project and how you intend to mitigate them.

Project Budget

- Complete the project budget template, listing the proposed total project budget, amount requested from The Challenge for each budget category, and amount committed from other investors for each budget category.
- Provide a narrative to accompany the project budget, explaining the proposed uses of funds in each category. This narrative should also explain any added budget categories and major cost drivers per category.
- If applicable, please list any current or potential funders/investors for this project and the status of their commitment. (Note: Co-investment is not required for application submission.)

Measurement and Learning

- Describe what you expect to learn from the project.
- Describe the outcomes you expect over the course of the contract award period and the desired outcomes and impact you expect to see following the contract award period.
- Describe how you will monitor your progress and make mid-course corrections if necessary.

Certifications

Required. Please certify the following by inserting your initials next to each statement:

- I certify that I understand and comply with the Sustainable Communities Innovation Challenge Submission Terms and Conditions (see Appendix III).
- I acknowledge that, if selected as a contract awardee, my or my organization's participation and a summary of my project will be made public.
- I acknowledge that, if selected as a contract awardee, I/my organization can and will complete the Sustainable Communities Innovation Challenge contracting materials.
- I certify that I have disclosed all pre-existing personal or professional relationships that I/my organization have with Fannie Mae and the Phase One Expert Advisory Panel.
- I certify that all information listed above and submitted here is true and accurate to the best of my knowledge.

Optional. Please designate your preference by responding yes or no:

- I would like Fannie Mae to share my application with other aligned funders for their review. (Note: This is not a commitment on behalf of Fannie Mae to share this proposal with other funders nor to secure funding from other funders.)

Appendix II: Frequently Asked Questions (FAQs)

Q1. What is The Sustainable Communities Innovation Challenge (The Challenge)?

Fannie Mae is launching The Challenge to generate innovative ideas that will help us address the affordable housing crisis in America and further support our broad mission to create housing opportunities that are safe, sustainable, and affordable, while managing risk to protect lenders, homeowners, and taxpayers.

Specifically, The Challenge is a two-year, \$10 million investment by Fannie Mae to generate affordable housing solutions that will help Fannie Mae address the nation's affordable housing issues by advancing sustainable communities—those providing residents opportunities for employment, health and wellness, and education. For more information, please visit www.fanniemae.com/thechallenge.

Q2. When is The Challenge?

The Challenge, announced December 18, 2017, is a two-year, three-phase initiative. Fannie Mae will accept proposals for the first phase from December 18, 2017 through February 23, 2018. Timing for Phase 2 will be announced in 2018. Visit www.fannimae.com/thechallenge for more information.

Q3. How does The Challenge work?

In each of the three phases, The Challenge will solicit proposals addressing a specific affordable housing challenge. Proposals will go through multiple rounds of review. Fannie Mae will make final contract award decisions.

The first phase of The Challenge will invite proposals for two types of projects: 1) research and design, and 2) idea development. In later phases, Fannie Mae may invite proposals for marketing/scaling. Fannie Mae may work with other industry partners to support scaling projects. Applicants are welcome to submit multiple proposals for distinct scopes of work. Only domestic (U.S.) projects are eligible for contracts.

Contract award sizes and lengths vary by eligible proposal types. For example, Phase 1 research and design contract awards will be up to \$250,000 for up to 24 months, and idea development awards will be up to \$500,000 for up to 24 months.

We anticipate that contract awardees will generate valuable learnings and gain new insights while they develop, implement, and scale projects. Therefore, awardees will regularly share progress and lessons learned with Fannie Mae and their fellow contract awardees.

Q4. Why is Fannie Mae launching The Challenge?

Fannie Mae is launching The Challenge to seek new ideas to help us increase access to affordable housing by focusing on the advancement of sustainable communities – those that provide residents with access to quality healthcare, education, and job opportunities.

By illuminating affordable housing problems and generating creative solutions, we can generate new business and opportunities that support our goals as defined by our regulator, the Federal Housing Finance Agency (FHFA), in our annual Scorecard, such as:

- Increasing access to single-family mortgage credit for creditworthy borrowers by conducting research to assess new opportunities, and developing pilots and initiatives that address the changing needs of homebuyers and homeowners.
- Expanding liquidity in multifamily affordable housing by conducting research and analysis and exploring new opportunities – especially in the areas of workforce housing, affordability in high-cost and very-high cost areas, and targeted affordable housing – so renters have more quality, affordable housing options.

We understand that the affordable housing crisis is inextricably linked to other adjacent sectors, and that is why it is critically important to seek ideas from outside of Fannie Mae and our traditional housing industry partners. Together, through The Challenge, we can uncover and explore new ways that Fannie Mae can help address our nation's affordable housing needs.

Q5. Who can submit proposals for The Challenge?

The Challenge is open to public, nonprofit, and private sector organizations as well as individuals and cross-sector teams from across the country. Proposals from cross-sector teams that combine and integrate experience from multiple sectors are particularly encouraged. For additional information on eligibility and proposal submission, please see the Request for Proposals (RFP), which is accessible through www.fanniemae.com/thechallenge.

Q6. How will top proposals be selected?

The Challenge review committee will first screen all proposals for eligibility and then review eligible proposals for competitiveness against pre-established selection criteria. Next, the Expert Advisory Panel will review semi-finalist proposals. Finally, the Fannie Mae Selection Committee will review the Expert Advisory Panel's recommendations to make final contract award decisions. For more information about the selection criteria, please see the Request for Proposals (RFP), which is accessible through www.fanniemae.com/thechallenge.

Q7. Who is on the Phase 1 Expert Advisory Panel that will review proposals?

The Phase 1 panel is comprised of experts in economic development/employment and innovation, and represents the public, private, and nonprofit sectors. Its role is to provide guidance and impartial reviews of the proposals. Once finalized, the members of the Expert Advisory Panel will be announced on The Challenge website at www.fanniemae.com/thechallenge.

Q8. What are the details for Phase 1 of The Challenge?

The first contract award phase of The Challenge will focus on the intersection of affordable housing with economic development/employment. Fannie Mae is seeking ideas to:

- Expand access to affordable housing in sustainable communities where strong employment opportunities are typically accompanied by high housing costs; and
- Improve access to quality employment opportunities for residents of existing affordable housing, while making sure housing is affordable to more people.

See the Phase 1 Summary below for additional details:

Phase 1 Summary	
Theme	Affordable housing and employment/economic opportunity
Contract award sizes and lengths by eligible proposal type	<ul style="list-style-type: none"> • Research & design: for up to \$250,000 and up to 24 months • Idea development: for up to \$500,000 and up to 24 months
Application period	December 18, 2017 – February 23, 2018

For additional Phase 1 details including eligibility requirements for applicants, projects, and use of funds, please see the Request for Proposals (RFP) document at www.sustainablecommunities.skild.com.

Q9. Where can I get more information and submit a proposal?

For more information about The Challenge and Phase 1, and to find out about upcoming informational webinars, please visit: www.fanniemae.com/thechallenge.

If you're ready to register and start your proposal for The Challenge, please visit: www.sustainablecommunities.skild.com.

Appendix III: Submission Terms and Conditions

Terms of Use

By submitting your application to the Sustainable Communities Innovation Challenge (“The Challenge”) you agree, on behalf of your organization and/or team (“You” or “Your” as the context dictates) to the following terms and conditions (“Terms and Conditions”).

1. Fannie Mae and the entities retained by Fannie Mae to administer The Challenge, including members of the Expert Advisory Panel retained to evaluate applications, (collectively “Fannie Mae” for purposes of these Terms and Conditions) may evaluate, reject, or select Your application in their sole discretion. In furtherance of such evaluation, Fannie Mae may also share Your application with select third parties for additional feedback. You will provide timely assistance and responses to Fannie Mae should clarifications on your application be required.
2. You bear all costs and expenses associated with the development and submission of Your application. You have no recourse against Fannie Mae in case of rejection.
3. Submission of Your application to The Challenge hereunder shall not create any legal relationship of any sort with You and You will make no public or private statement implying or stating that any partnership or other legal relationship exists between You and Fannie Mae. You may advertise that You submitted Your innovation as part of The Challenge provided, however, that You shall under no circumstances advertise any association with Fannie Mae nor imply any endorsement of Your products and Services by Fannie Mae. Further external communications about Your participation in The Challenge, should You be selected for the contract award, shall be addressed in a separate Research and Development Agreement (see Sample in Appendix IV) between You and Fannie Mae governing the development and implementation of Your innovation, as applicable (the “Research and Development Agreement”).
4. You represent and warrant that You have all necessary rights in the contents of Your application, any innovation therein, and any elements necessary to its implementation, including but not limited to third party data, either as proprietary rights or licensed, for Fannie Mae to consider Your innovation and application as part of the Challenge and future implementation thereafter, as the case maybe. You represent and warrant that Your innovation does not infringe the intellectual property rights of any third party. You shall retain any and all intellectual property rights You may have in Your innovation and the contents of your application and hereby grant Fannie Mae a limited license to reproduce and share the same internally and with select third parties for purposes of evaluation. You will disclose to Fannie Mae whether any innovation incorporated in Your application is protected by patent or whether You intend to file a patent application for it. Fannie Mae shall implement commercially reasonable efforts to keep your application in confidence unless selected for a contract award. Notwithstanding the foregoing, You understand that Fannie Mae or third parties may have performed independent development matching innovative elements of Your application; You agree that Your participation in The Challenge and the receipt of Your application by Fannie Mae shall not limit Fannie Mae’s independent development and marketing of products or systems involving technology or ideas similar to those disclosed nor prevent Fannie Mae from undertaking similar efforts or discussions with third parties, including competitors of Yours.
5. Submission of Your application is managed through a reputable third-party platform; Fannie Mae shall, however, have no responsibility and no liability and makes no representations with respect such platform.



6. If selected by Fannie Mae for a contract award, You may not assign, or otherwise transfer, Your rights to such contract award and contract to a third party without Fannie Mae's prior written permission. Even after selection for a contract award and contract, Fannie Mae may withdraw the contract award and contract selection in its sole discretion until the Research and Development Agreement is fully executed by all parties. By submitting Your application to The Challenge, You agree that the terms and conditions of the attached sample Research and Development Agreement or terms substantially similar to such template, shall govern the development and implementation of Your innovation with Fannie Mae.
7. Conflict of Interest. The Challenge requires that all applicants disclose any prior or existing personal or professional relationships with Fannie Mae and its employees. Such relationships are not necessarily disqualifying, however they do require disclosure. Fannie Mae customers are eligible to apply. Organizations are ineligible to apply if a current staff or board member is serving on the Sustainable Communities Innovation Challenge Expert Advisory Panel.
8. Any breach by You of the representations, warranties, or obligations set forth in these Terms and Conditions shall be cause for removal of Your application from consideration or for voiding any contract award, as applicable.
9. These Terms and Conditions are governed by the laws of the District of Columbia, exclusive of its conflict of laws principles.
10. Fannie Mae reserves the right to amend these Terms and Conditions, including the Research and Development Agreement, in its sole discretion; the amended Terms and Conditions shall be effective upon posting by Fannie Mae on The Challenge platform used by Fannie Mae in connection with The Challenge.

Appendix IV: Sample Research & Development Agreement

Contract Number: _____

SERVICES AGREEMENT RESEARCH AND DEVELOPMENT

Cover Page

Capitalized terms are defined in Section 23 (Definitions).

THIS SERVICES AGREEMENT RESEARCH AND DEVELOPMENT ("Agreement") is entered into by and between FANNIE MAE, a federally chartered, publicly held corporation, and the Supplier listed below regarding research and development-related services to be rendered by Supplier as described in this Agreement.

A. Effective Date of Agreement:

B. Supplier Information:

Supplier's Name and Address:

Supplier is a (check one):

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Other (Describe _____)

State in Which Supplier's
Business Entity Was Formed:

Federal Tax ID Number:

Contact Information:

Supplier's Point of Contact

Name:

Title:

Phone:

Fax:

Email:

Address:

Fannie Mae's Point of Contact

Name:

Title:

Phone:

Fax:

Email:

Address: 13100 Worldgate Drive
5H-6W/01 (OB2)
Herndon, VA 20170



By the signatures of their authorized representatives below, both parties acknowledge the value and sufficiency of the consideration for entering into this Agreement and agree to be bound by its terms.

FANNIE MAE

3900 Wisconsin Avenue, N.W.
Washington, DC 20016-2899

By: _____

Name: _____

Title: Vice President, Corporate Procurement

Date: _____

CONTRACTOR: _____

By: _____

Name: _____

Title: _____

Date: _____



**SERVICES AGREEMENT RESEARCH AND DEVELOPMENT
 STATEMENT OF WORK NUMBER _____
 TO CONTRACT NUMBER _____**

This Statement of Work is part of and is governed by the terms of the Services Agreement Research and Development (the "Agreement") between the undersigned parties with an Effective Date of the ____ day of _____, 20____. The Agreement remains in full force and effect, as supplemented or modified by this Statement of Work. Capitalized terms in this Statement of Work shall have the meanings defined in this Statement of Work or in the Agreement. Purchase Orders that are issued in connection with this Statement of Work shall be read together with this Statement of Work and deemed to be Order Forms issued under the Agreement.

1. Effective Date/Term

Supplier began or shall begin performing Services under this Statement of Work on the ____ day of _____, 20____ (the "Effective Date" of this Statement of Work). This Statement of Work shall remain in effect until the Statement of Work or the Agreement is terminated, in accordance with the Agreement.

2. Points of Contact

The following are the points of contact for the parties with regard to this Statement of Work (if different from the Points of Contact listed on the Cover Page of the Agreement):

Supplier's Business Point of Contact

Name:
 Title:
 Phone:
 Fax:
 Email:
 Address:

Fannie Mae's Business Point of Contact

Name:
 Title:
 Phone:
 Fax:
 Email:
 Address:

Supplier's Billing Point of Contact

Name:
 Title:
 Phone:
 Fax:
 Email:
 Address:

Fannie Mae's Billing Point of Contact

Name:
 Title:
 Phone:
 Fax:
 Email:
 Address:



3. Description of Services and Deliverables:

The following is a description of key Deliverables to be produced and milestones to be achieved by Supplier, if applicable, in connection with the Services, as well as the acceptance criteria for each, if any:

Deliverable/ Milestone Title	Deliverable/Milestone Description	Milestone Date(s)	Acceptance Criteria

Fannie Mae shall be responsible for providing support and assistance to Supplier as follows: [TBD]

4. Performance Schedule:

Date Services to Begin:

Date Services to End:

5. Fees for Services – Fixed Fee

<p>Total Fixed Fee to be Paid: \$</p> <p>Supplier will be responsible for successfully completing the Deliverables and other Services under this Statement of Work for not more than the fixed fee amount listed above (subject to any adjustments to this amount to which Fannie Mae has consented in writing pursuant to Section 1 of the Agreement to account for scope changes or additional Services required by Fannie Mae).</p> <p>If the Fixed Fee is payable in a lump sum, the payment is due upon completion of the Services and Deliverables to Fannie Mae's reasonable satisfaction.</p> <p>If the Fixed Fee is payable in installments, payments are due in the following amounts on the following dates or upon completion of the following milestones, subject to Fannie Mae's acceptance of the related Services and Deliverables:</p>	
Installment Amount	Due Date or Milestone Description

8. Documents Incorporated by Reference – In addition to the documents that are included in the definition of "Agreement," the following are documents (proposals, marketing materials, etc.) that are incorporated by reference into the Agreement with respect to this Statement of Work. If there are any contradictions or inconsistencies between any such documents and any other terms of the Agreement, the latter shall control:

Exhibit 1 - Requirements for Equal Employment Opportunity and HERA Inclusion Data

Exhibit 2 - Fannie Mae Insurance Requirements

9. Other

List here any other special terms agreed to by the parties:

It is Fannie Mae's intent to fully collaborate with Supplier in the development, testing, and eventual commercial implementation of Supplier's selected innovation and operationalization of the Deliverables; in consideration for Fannie Mae's support and payment of the Fees hereunder, Supplier agrees, for a period of six (6) months from Delivery, to give Fannie Mae priority, in the form of a right of first refusal, to be selected as industry partner to promote and facilitate commercial implementation of the innovation embedded in the Deliverables, where relevant.

No portion of any payment made under this Agreement shall be used by Supplier for the purpose of influencing any legislation; any federal, state, or local election, or in any way any use that would create a lobbying registration or reporting requirement under the Lobbying Disclosure Act or in any state or locality.

This Statement of Work and the Agreement supersede all prior agreements, representations and understandings between the parties with respect to the subject matter of this Statement of Work.

Agreed to by:

FANNIE MAE

By: _____

Name: _____

Title: Vice President, Corporate Procurement

Date: _____

SUPPLIER: _____

By: _____

Name: _____

Title: _____

Date: _____



SERVICES AGREEMENT RESEARCH AND DEVELOPMENT GENERAL TERMS AND CONDITIONS

Capitalized terms are defined in Section 23 (Definitions).

1. Services – Supplier shall perform the Services described on the Order Forms, subject to the terms set forth in this Agreement. Until an Order Form is issued, Fannie Mae shall be under no obligation to use Supplier's services. Order Forms may be issued: (a) by both parties executing a Statement of Work or other document describing the Services, and (if the Statement of Work involves payments for Services) Fannie Mae's issuing a Purchase Order authorizing commencement of Services under such Statement of Work; or (b) by Fannie Mae's issuing a Purchase Order for the Services and Supplier's indicating its acceptance of the Purchase Order by commencing the performance of such Services. If Supplier is unable or unwilling to perform any or all of the Services described on an Order Form proposed by Fannie Mae, Supplier shall immediately notify Fannie Mae, in which event Fannie Mae, in its sole discretion, shall have the right to either cancel or withdraw the Order Form or revise it to contain terms that are acceptable to both parties.

Supplier shall perform the Services in a professional and timely manner using personnel whose skills and experience are appropriate for the tasks to be performed. If Supplier reasonably believes that a request by Fannie Mae for a change in the Services would cause an increase in the fees payable under the applicable Order Form or a change in the schedule for performance, Supplier shall immediately notify Fannie Mae and shall obtain Fannie Mae's written consent with respect to any such increase in fees or change in schedule. If Fannie Mae does not consent to such increase in fees or change in schedule, Fannie Mae may, at its option, withdraw the request for the change in Services or modify the request under terms acceptable to both parties.

Supplier agrees that all resources (including, but not limited to, Supplier resources and Personnel) of Supplier, its Subcontractors or any other party used to perform any Services are, and shall be during the term of this Agreement, physically located in the United States. For avoidance of doubt, Supplier shall not send, process or store any Fannie Mae data or perform any Services outside the United States.

2. Schedule: Time is of the essence. Performance of Services shall be rendered promptly, according to the schedule and at the location set forth on the Cover Page or the applicable Order Form.

3. Acceptance – The Services shall be performed, and the Deliverables shall be completed, to Fannie Mae's reasonable satisfaction or if the applicable Order Form sets forth specific acceptance criteria, in compliance to Fannie Mae's reasonable satisfaction with such acceptance criteria. If Fannie Mae notifies Supplier of deficiencies in the Services or Deliverables, Supplier shall exercise its best efforts to promptly correct such deficiencies to Fannie Mae's reasonable satisfaction.

Services and Deliverables will be deemed accepted by Fannie Mae if Fannie Mae accepts the Services and Deliverables in writing or does not notify Supplier of any deficiencies in the Services or Deliverables within thirty (30) days after the Services and Deliverables have been completed.

4. Prices/Payment – Fannie Mae agrees to compensate Supplier for Services rendered in the amount and according to the payment schedule described in the applicable Order Form. Fannie Mae shall not be obligated to pay Supplier for any Services that are not accepted by Fannie Mae until the grounds for rejection have been remedied to Fannie Mae's reasonable satisfaction. If compensation is to be paid in installments prior to completion and acceptance of the Services, Fannie Mae shall be entitled to a refund of amounts paid with respect to Services that are not accepted by Fannie Mae. All amounts due under this Agreement shall be payable in U.S. Dollars, regardless of where Services are provided.

Unless otherwise specified in an Order Form, Supplier shall provide invoices to Fannie Mae for fees for Services and any authorized reimbursable expenses on a monthly basis by email to accounts_payable@fanniemae.com. Each invoice shall identify the Contract Number of this Agreement and the



applicable Order Form number (as provided by Fannie Mae), the purchase order number applicable to the Services, and an invoice number; shall provide a detailed description of the Services and expenses for which payments are due; and shall include contact information and such other information as requested by Fannie Mae to facilitate invoicing and payment.

Unless otherwise specified in the applicable Order Form, invoices shall be payable by Fannie Mae forth-five (45) days after receipt of Supplier's invoice that details amounts due under the applicable Order Form. All amounts due under this Agreement must be billed in a timely fashion in accordance with the preceding paragraph. Fannie Mae shall not be required to pay for charges that are not billed within ninety (90) days after the required billing date.

Fannie Mae shall not be obligated to pay disputed amounts, unless and until such dispute is resolved in Supplier's favor. At Fannie Mae's option, payments shall be made by check or by electronic funds transfer (such as an ACH credit) to Supplier's bank account. In the event of an overpayment, Supplier (i) agrees to immediately issue a refund to Fannie Mae by means acceptable to both parties, and (ii) if the overpayment was made by electronic funds transfer, authorizes Fannie Mae to initiate an electronic debit transfer from the Supplier's account to correct the overpayment. If payments are made electronically, Supplier agrees that Supplier shall receive remittance notices by electronic mail, only, and will not receive a written remittance notice in the U.S. mail or otherwise.

If additional Services are ordered and the price for such Services is not recorded on the Order Form, the price shall be the same as the price previously charged for the same Services. Supplier represents and warrants that the prices charged to Fannie Mae do not discriminate against Fannie Mae. If Supplier's quoted prices for the Services covered by this Agreement are reduced (whether in the form of a price reduction, rebate, allowances, or additional discounts offered to anyone) prior to the time the Services are rendered, the price to Fannie Mae for such Services will be reduced accordingly.

If Supplier is in breach of this Agreement, Fannie Mae may withhold any disputed payment that would otherwise be due Supplier hereunder until such breach has been cured.

If Supplier owes any amounts to Fannie Mae under this or any other agreement, Fannie Mae shall have the right to apply payments due to Supplier under this Agreement toward repayment of any undisputed debts owed by Supplier to Fannie Mae.

5. Confidentiality – If a party (the “Receiving Party”) obtains access to Confidential Information of the other party (the “Disclosing Party”) in connection with the negotiation of or performance under this Agreement, the Receiving Party agrees: (a) not to directly or indirectly disclose the Confidential Information to any third party without the Disclosing Party's prior written consent; and (b) to use the Confidential Information only as reasonably necessary to perform its obligations under this Agreement.

The Receiving Party shall use at least the same degree of care to protect the Confidential Information of the Disclosing Party from unauthorized disclosure or access that the Receiving Party uses to protect its own Confidential Information, but not less than reasonable care. . The Receiving Party shall: (a) immediately assess and contain any actual or suspected Breach; (b) promptly notify the Disclosing Party of such Breach; (c) cooperate with the Disclosing Party's investigation of such Breach; and (d) take all steps reasonably requested by the Disclosing Party to limit, stop, remediate and otherwise prevent such Breach. Notice shall be in writing and sent to each of the individuals identified for notice purposes in this Agreement and, in the case of Fannie Mae, via e-mail to privacy_workinggroup@fanniemae.com (or such other addresses as may be provided by Fannie Mae from time to time).

Information of the Disclosing Party shall not be considered Confidential Information if it: (i) was previously rightfully known by the Receiving Party free of any obligation to keep it confidential; (ii) is or becomes publicly known through no wrongful act of the Receiving Party; (iii) is independently developed by the Receiving Party without reference to the Confidential Information of the Disclosing Party; or (iv) is subject to disclosure pursuant to a subpoena, judicial or governmental requirement, or order, provided that the Receiving Party has given the Disclosing Party sufficient prior notice of such subpoena, requirement, or order, to permit the Disclosing Party a reasonable opportunity to object to the subpoena,



requirement, or order and to allow the Disclosing Party the opportunity to seek a protective order or other appropriate remedy.

Supplier agrees to maintain, and to ensure that all of its Subcontractors and agents maintain, appropriate measures to ensure the security, confidentiality and integrity of Fannie Mae Confidential Information including measures to protect against the unauthorized use, access, destruction, loss or alteration of the same. Fannie Mae retains the right to review audits, test results or other equivalent evaluations related to these measures and to conduct corresponding security testing to the extent necessary.

Access to, and retention of, Fannie Mae Confidential Information on systems under Supplier's control, development and/or hosting of systems, applications, or infrastructures proprietary to Fannie Mae on systems under Supplier's control, or direct connectivity or integration of Supplier's systems or applications into Fannie Mae's systems or applications are further subject to Fannie Mae's Information Security Requirements for Suppliers and Supplemental Privacy Requirements for Suppliers, as applicable, available upon request and incorporated herein by reference. Supplier agrees to: (a) participate periodically in an information sharing process to assist Fannie Mae in determining and evaluating the risks associated with any Services (the "Risk Review Process"); (b) promptly take action to remedy adverse findings or vulnerabilities identified by Fannie Mae during the Risk Review Process to Fannie Mae's reasonable satisfaction; and (c) certify on an annual basis that the Supplier Risk Management Policies and Procedures meet or exceed the information security requirements set forth in Fannie Mae's Information Security Requirements for Suppliers and Supplemental Privacy Requirements for Suppliers to the extent applicable to the Services. In connection with any Risk Review Process, Fannie Mae shall have the right to access and inspect any facilities of Supplier from which the Services are provided with reasonable notice and during business hours provided that Fannie Mae shall cooperate with Supplier's security procedures and Supplier shall provide to Fannie Mae information and documents reasonably requested by Fannie Mae to assess such risks.

6. Ownership of Work Products – Supplier retains all Intellectual Property Rights in and to any Deliverables and hereby grants to Fannie Mae under its Intellectual Property Rights a non-exclusive, irrevocable, perpetual, royalty-free, fully paid-up, transferable, unrestricted, worldwide license to use, modify, copy, display, support, operate, distribute and sublicense the Deliverables or products and services derived therefrom.

7. Warranties

Deliverables: Supplier warrants and agrees that, for the longer of twelve (12) months from the date of acceptance by Fannie Mae or the period of time provided in Supplier's or the manufacturer's standard warranty, all Deliverables provided by Supplier under this Agreement shall: (a) be free from defects in materials and workmanship; (b) be merchantable, fit and safe for the purpose or purposes for which they are intended to be used; (c) conform to all applicable specifications or samples furnished; (d) be free from all liens and encumbrances; and (e) be free from inaccuracy in informational content. Deliverables shall also be subject to all additional written warranties made by Supplier's agents and all warranties provided by law. If Fannie Mae identifies a warranty problem with any Deliverables during the warranty period, Fannie Mae will promptly notify Supplier of such warranty problem. Within 5 business days following receipt of notice, Supplier shall, at Fannie Mae's option and Supplier's expense, either repair or replace such Deliverables to Fannie Mae's satisfaction, or refund to Fannie Mae amounts paid for the Deliverables. Replaced and repaired Deliverables shall be warranted for the remainder of the manufacturer's standard warranty period or twelve (12) months, whichever is longer.

Computer Information: Only to the extent Supplier provides any computer information, computer programs or access to electronic information (collectively, "Computer Information") under this Agreement, with respect to such Computer Information, in addition to the warranties for Deliverables described above, Supplier warrants and agrees that no Computer Information or related Services shall include, or introduce into any Fannie Mae computer system, any computer software, code or malware that includes harmful or undisclosed elements: (a) intended to disrupt, disable, harm, or otherwise impede the operation of any Computer Information or Fannie Mae computer

system (such as computer “viruses” or “worms”); (b) that would disable Computer Information or impair its operation based on the passage of time, the level of usage, or other pre-determined metric (such as a “self-help device”); (c) that would enable Supplier to access the Computer Information or any Fannie Mae computer system to cause disablement or impairment (such as a “trap door,” “access code” or “back door”); or (d) that cause the Computer Information or any Fannie Mae computer system to cease functioning or that damage Fannie Mae data, hardware or software. Without Fannie Mae’s prior written approval, no Work Products will incorporate, link to or call upon any components (including, without limitation, Pre-Existing Works) subject to copyleft or open source licenses (including the GNU General Public License) or any other agreements that may give rise to any third party’s right to use any Work Products or that may limit Fannie Mae’s right to use such Work Products in any respect.

Services: Supplier warrants and agrees that all Services shall: (a) be completed in a professional, workmanlike manner, with a degree of skill and care that conform with industry standards, (b) be completed in accordance with applicable specifications and (c) be correct and appropriate for the purposes contemplated in this Agreement. Supplier further warrants and agrees that Supplier, its Subcontractors and their respective personnel are duly licensed and authorized to perform the Services in the jurisdiction(s) where the Services are to be rendered and that the performance of Services under this Agreement will not conflict with, or be prohibited in any way by, any other agreement or statutory restriction by which Supplier is bound.

Warranty of Non-Infringement: Supplier warrants and agrees: (a) that none of the Services or Deliverables shall violate or in any way infringe upon the rights of other parties, including proprietary and non-disclosure rights, or Intellectual Property Rights; (b) that there are no existing, pending, or, to Supplier’s best knowledge, threatened claims regarding violation or infringement of any such rights related to the Services; and (c) that neither Supplier, nor any of its Subcontractors, agents or employees is subject to any non-competition, non-solicitation, non-disclosure or other similar agreements with any party that would be breached upon the execution or performance of any of the terms of this Agreement.

The warranties described in this Section shall survive any inspection, delivery, acceptance, or payments by Fannie Mae for the Services.

8. Insurance – During the term of this Agreement (and, to the extent that any insurance is carried on a claims made basis, for such period thereafter that claims may be legally made with respect to occurrences during the term) and in any event prior to commencement of work under this Agreement, Supplier shall have and maintain in force, at Supplier’s expense, no less than the types and amounts of insurance coverage described in Exhibit 2, the Fannie Mae Insurance Requirements, as revised by Fannie Mae, from time to time, which are incorporated herein by reference.

Supplier shall assure that its Subcontractors, if any, maintain insurance coverage as specified in this Section or are endorsed as additional insureds on all required Supplier policies and provide evidence of such upon request by Fannie Mae. If at any time Supplier or any Subcontractor fails to procure or maintain the required insurance, Fannie Mae, at its option, may procure such insurance on behalf of Supplier and Supplier shall reimburse Fannie Mae for the cost of such insurance upon demand.

The minimum limits of coverage described in this Section are not intended, and shall not be construed, to limit any liability or indemnity of Supplier under this Agreement.

9. Indemnity – Supplier shall indemnify, hold harmless, and defend Fannie Mae, its affiliates, and their respective officers, directors, customers, agents and employees against all claims, liabilities, costs, damages, judgments, suits, actions, losses and expenses, including reasonable attorneys’ fees and costs of suit, arising out of or resulting from any third party claim in connection with: (a) allegations that the Deliverables or Services infringe or violate any Intellectual Property Rights or other proprietary or non-disclosure rights of a third party; (b) Supplier’s negligence, willful misconduct, breach of any representation or warranty under this Agreement, or failure to perform its obligations under this Agreement; or (c) any injuries to persons (including death) or damages to property caused by the negligent or willful acts or omissions of Supplier or its Subcontractors (except to the extent that such injuries or damages are caused by the



gross negligence or willful misconduct of Fannie Mae or any of its employees). Supplier shall not settle any such suit or claim without Fannie Mae's prior written consent if such settlement would be adverse to Fannie Mae's interest. Supplier agrees to pay or reimburse all costs that may be incurred by Fannie Mae in enforcing this indemnity, including attorneys' fees.

10. Limitation of Liability – IN NO EVENT SHALL EITHER PARTY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO THE OTHER PARTY WITH RESPECT TO THIS AGREEMENT, OR FOR ANY ACT OR OMISSION OCCURRING IN CONNECTION WITH THIS AGREEMENT, FOR LOST PROFITS, LOSS OF BUSINESS OR ANY OTHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE OR UNDER ANY LEGAL THEORY WHATSOEVER, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS

OF WHETHER OR NOT THE DAMAGES WERE REASONABLY FORESEEABLE; PROVIDED, HOWEVER, THAT SUCH LIMITATION OF LIABILITY SHALL NOT APPLY TO OBLIGATIONS UNDER SECTIONS 5, 6, OR 9 OF THIS AGREEMENT.

11. Taxes – Fannie Mae hereby represents that under Section 309(c)(2) of the Federal National Mortgage Association Charter Act, 12 U.S.C. §1723a(c)(2), Fannie Mae is exempt from all state and local taxes, except certain taxes on real property. Fannie Mae shall not be responsible for any such taxes paid on its behalf. Supplier shall not bill or charge Fannie Mae for any such taxes.

12. Term and Termination – This Agreement will become effective on the Effective Date and will continue in effect until terminated as described below.

Notwithstanding any other provision of this Agreement, Fannie Mae has the right to terminate this Agreement: (i) immediately, by written notice, upon material breach by Supplier of this Agreement, if such breach cannot be remedied; (ii) at any time, if Fannie Mae, determines, in its absolute and sole discretion, that the Services are being performed in a manner that is unsatisfactory to Fannie Mae, provided Fannie Mae has given Supplier notice and

ten (10) days to correct such unsatisfactory performance; (iii) automatically, if Supplier ceases to do business or is declared insolvent or bankrupt; (iv) at any time, for convenience, upon thirty (30) days' prior written notice to Supplier; or (v) immediately upon written notice to Supplier, if Supplier breaches its obligations under Section 5 (Confidentiality).

Unless otherwise specified in an Order Form, Fannie Mae has the right to terminate an Order Form for the reasons and according to the procedures described in Subsections (i), (iii) and (v) above, or at any time, with or without cause, upon five (5) days' prior written notice to Supplier.

Supplier shall have the right to terminate this Agreement or an Order Form upon written notice to Fannie Mae if Fannie Mae fails to pay Supplier according to the terms of this Agreement or otherwise materially defaults in fulfilling its obligations under this Agreement and does not cure such default within thirty (30) days following receipt of written notice of default.

The termination of any particular Order Form shall not affect the parties' respective duties and obligations under any other Order Forms then in effect. Unless otherwise specified in a termination notice, the termination of this Agreement shall terminate all Order Forms in effect on the date of such termination. If a termination notice provides that specified Order Forms are not terminated or affected by the termination of this Agreement, then such Order Forms shall be performed until completed as provided in such Order Forms or until the Order Forms are terminated in accordance with this Section, in each case subject to the terms of this Agreement, which will remain in effect for such Order Forms until completion or termination.

If this Agreement or an Order Form is terminated prior to completion of the Services, Fannie Mae will pay Supplier only for those authorized Services rendered to Fannie Mae's reasonable satisfaction prior to termination. Within five (5) days of termination of this Agreement or an Order Form, Supplier shall deliver to Fannie Mae, to the extent relevant to Order Forms affected by such termination, all: (i) work in progress; (ii) Fannie Mae property; and (iii) materials containing or embodying Fannie Mae Confidential Information or Work Products. Supplier shall not make or retain any partial or entire copies of any of the foregoing and



will destroy all computer files containing such data or information. The parties will continue to be bound by those sections of this Agreement that survive termination.

Any provisions of this Agreement that contemplate their continuing effectiveness, including, without limitation, Sections 5, 6, 7, 9, 10, 11 and 13 through 23, shall survive termination of this Agreement.

13. Inquiries/Notice – All communications relating to this Agreement shall be referred to each party's point of contact listed on the Cover Page or applicable Order Form, or such other point of contact designated by a Vice President or more senior officer of such party. All notices under this Agreement shall be in writing, addressed to the parties at the addresses set forth on the Cover Page, or the latest known valid address of the parties, and shall be considered received: (a) when personally delivered; (b) when delivered by commercial overnight courier with verification receipt; (c) when sent by confirmed facsimile; or (d) three (3) days after having been sent, postage prepaid, via certified mail, return receipt requested. Except as provided in subsection 13(c), any notice or writings required by this Agreement shall not be made or delivered in electronic form.

14. Advertising – Supplier shall not publish, or cause to have published, or make public use of Fannie Mae's name, logos, trademarks, or any information about its relationship with Fannie Mae without the prior written permission of Fannie Mae, which permission may be withdrawn at any time in Fannie Mae's sole discretion.

15. Reserved.

16. Subcontracts - Supplier shall not employ any agent or Subcontractor in connection with the performance of the Services without Fannie Mae's prior written consent, which may be withheld for any reason. References in this Agreement to "Subcontractors" shall mean not only parties that contract directly with Supplier, but also parties that contract with Subcontractors. Fannie Mae reserves the right to revoke its prior approval of a Subcontractor and direct Supplier to replace such Subcontractor if the Subcontractor's performance is deficient in any material respect. Supplier shall remain responsible for obligations, Services and functions performed by Subcontractors to the

same extent as if they were performed by Supplier's employees and, for purposes of this Agreement, such work shall be deemed work performed by Supplier. Supplier shall be responsible and liable for any and all costs associated with enforcing Fannie Mae's rights under this Agreement against Supplier's agents and Subcontractors. If Fannie Mae approves the use of Subcontractors, Supplier shall: (a) establish procedures to ensure compliance by both parties with the terms of its subcontracts, including, without limitation, the timely payment of amounts due to Subcontractors; and (b) comply with Fannie Mae's policies concerning diversity in subcontracting, as revised by Fannie Mae from time to time, which are incorporated herein by reference and a copy of Fannie Mae's current diversity policies is attached hereto as Exhibit 4. Upon request, Supplier shall submit reports to Fannie Mae, in the form requested by Fannie Mae, regarding such compliance.

Supplier's agreements with agents and Subcontractors approved to provide Services shall provide Fannie Mae at least as much protection with respect to each such agent and Subcontractor that the following Sections of this Agreement provide Fannie Mae with respect to Supplier: Section 5 (Confidentiality and Protection of Records), Section 6 (Ownership of Work Products), Section 7 (Warranties), Section 8 (Insurance), Section 9 (Indemnity), Section 10 (Limitation of Liability), Section 14 (Advertising), Section 15 (Non-Competition/Non-Solicitation), Section 16 (Subcontracts), Section 17 (Compliance with Laws/Audit Rights/Injunctive Relief), and, if applicable, the Section of the Statement of Work entitled "Option to Hire."

Upon request, Supplier shall provide to Fannie Mae copies of proposed and executed agreements with agents and Subcontractors.

17. Compliance with Laws/Audit Rights/Injunctive Relief – In its performance of this Agreement, Supplier shall fully comply with all applicable federal, state and local laws, including, without limitation, anti-discrimination laws and wage-payment laws. Supplier shall promptly notify Fannie Mae if Supplier becomes aware of any actual or suspected violation (or charge or investigation) of any such laws and will fully cooperate with Fannie Mae and all governmental authorities in connection with any such actual or suspected violations.



Supplier agrees that during the performance of this Agreement it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or veteran status and that it shall take affirmative action to ensure such non-discrimination, as required by Executive Order 11246, the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans Act as amended, and as set forth in guidelines established by the Office of Federal Contract Compliance Programs at 41 CFR §§60-1.4, 60-741.4 and 60.250.4 respectively, the substance of which is incorporated herein by reference.

Supplier will provide Fannie Mae, its designated independent audit firm, and its government regulators access, upon reasonable prior notice, to any facility at which either Supplier or any of its Subcontractors is providing the Services and to data, records, equipment, software, and Supplier Personnel for the purpose of performing audits and inspections relating to the performance of the Services under this Agreement.

Each party understands and agrees that the other party will suffer irreparable harm in the event of a breach of any of the obligations imposed by Section 5 (Confidentiality and Protection of Records), Section 6 (Ownership of Work Products), or Section 14 (Advertising) of this Agreement and that monetary damages will be inadequate to compensate for any such breach. Accordingly, each party agrees that, in the event of a breach or threatened breach of any of such provisions, the other party, in addition to and not in limitation of any other rights, remedies or damages available at law or in equity, shall be entitled to preliminary and permanent injunctive relief in order to prevent or restrain any such breach without the necessity of proving damages or irreparable harm, or posting bond.

18. No Implied Waiver – No failure to contest a breach of a term, provision, or clause of this Agreement shall be deemed to waive or excuse such breach, unless such waiver or consent shall be in writing and executed by a duly authorized representative of the waiving party. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

19. Authorized Agent – The person who executes this Agreement, or any related documents, on behalf of each party represents that he or she is a duly authorized agent of such party with requisite authority to bind such party to the terms of this Agreement.

20. Complete Agreement/Assignment – The complete Agreement between the parties consists of the Cover Page, Order Forms, the Terms, all Exhibits (including attachments), and any documents incorporated into the Agreement by reference and supersedes all prior agreements, representations and understandings between the parties with respect to Services performed under Order Forms issued in connection with this Agreement. The most current versions of documents incorporated into this Agreement by reference will be provided by Fannie Mae to Supplier upon request. If the parties have entered into other agreements, work remaining to be performed under purchase orders issued in connection with those other agreements shall be governed by the terms of such agreements. If there is a conflict between a Statement of Work and these General Terms and Conditions, the latter shall control except as to provisions specifically identified in a particular Statement of Work as modifying or amending specified provisions of these General Terms and Conditions. Any such modifications or amendments in a Statement of Work will control for purposes of that Statement of Work only. Except as otherwise provided herein, any amendments or modifications to the Agreement must be in writing and must be executed by authorized representatives of both parties. Supplier may not assign its rights or obligations under this Agreement to any third party without the prior written consent of Fannie Mae, which may not be provided by electronic means (other than facsimile copy of an authorized signature). This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute a single agreement. If requested by Fannie Mae, Supplier will provide written or electronic certification of its compliance with the terms of this Agreement.

21. Governing Law – This Agreement shall be governed by and construed under the laws of the District



of Columbia, without reference to or application of the conflicts of law principles. Any and all disputes between the parties that cannot be settled by mutual agreement shall be resolved solely and exclusively in the courts located within the District of Columbia. Both parties consent to the jurisdiction and venue of such courts and irrevocably waive any objections thereto.

22. Independent Supplier - Supplier shall at all times be and act as an independent contractor of Fannie Mae and, as such, no law, agreement or other arrangement that has the effect of conferring benefits upon officers or employees of Fannie Mae shall be applicable to Supplier or any Supplier employee, agent or Subcontractor in connection with the Services. Supplier's and Subcontractor's personnel will be, and will remain at all times, employees of Supplier (or Subcontractor, as the case may be) and shall not be deemed to be employees of Fannie Mae for any purpose whatsoever. As between Fannie Mae and Supplier, Supplier shall be solely responsible for the safety and supervision of Supplier's and Subcontractors' employees and payment of wages, salaries and other amounts due such employees in connection with this Agreement and shall be responsible for all taxes, reports and other obligations respecting employees required by law.

23. Definitions- The following are definitions of capitalized terms used in these General Terms and Conditions and in the Exhibits. Some Exhibits include additional defined terms or modify the definitions of capitalized terms for the purposes of the specific Exhibit.

"Agreement" means the Cover Page, Order Forms, the Terms, all Exhibits (including attachments, and any documents incorporated into the Agreement by reference.

"Breach" means (i) the loss of, (ii) unauthorized acquisition, use or disclosure of, or (iii) unauthorized access to, the Disclosing Party's Confidential Information.

"Computer Information" is defined in Section 7.

"Confidential Information" of a party means: (a) information that is not a matter of public knowledge or which is specifically designated as confidential, including without limitation, trade secrets, product development strategy and activity, product concepts and features, marketing strategy, corporate assessments and strategic plans, pricing, financial and statistical information, accounting information, identity of suppliers or clients,

software (including source code and object code), technical specifications, systems, processes, formulae, inventions, discoveries, developments, designs, drawings, models, algorithms, flow charts and other documentation policies, guidelines, procedures, practices, disputes, or litigation; (b) compilation or summary information or data that contains or is based on Confidential Information; or (c) nonpublic personal information.

"Supplier" means the party named as such on the Cover Page.

"Supplier Personnel" means the party identified as the "Supplier" on the Cover Page of this Agreement, if such party is an individual and not a business entity, and the employees and agents of Supplier and its Subcontractors assigned to perform the Services pursuant to this Agreement, if any.

"Cover Page" means the introductory page(s) to this Agreement containing information about the Supplier and the signatures of the parties.

"Deliverables" means (a) Work Products and (b) if applicable, Pre-Existing Works furnished by Supplier to Fannie Mae in connection with this Agreement.

"Effective Date" means, with respect to this Agreement, the date set forth on the Cover Page as the date this Agreement becomes effective. With respect to an Order Form, "Effective Date" means the earlier of the date listed as the Effective Date on the Order Form, or the date Supplier begins performance under the Order Form.

"Exhibits" means all exhibits to this Agreement, as amended, from time to time, which are incorporated herein by reference.

"Intellectual Property Rights" means all copyrights, patents, trademarks, service marks, trade secrets, moral rights and other proprietary and intellectual property rights of whatever nature.

"Order Form" means a Statement of Work (or other document executed by both parties) and/or Purchase Order for Services, as described more fully in Section 1 of the Terms.

"Pre-Existing Works" means works provided under this Agreement consisting of: (a) standard goods and Computer Information produced or distributed by Supplier prior to this Agreement or independently of this Agreement and provided to Fannie Mae under this Agreement; or (b) works conceived or developed by Supplier or a third party when not performing Services for Fannie Mae and without



using Fannie Mae's Confidential Information, equipment, supplies or facilities.

"Purchase Order" means a document issued electronically (via email or through a Workforce Management Tool) or in hard copy by Fannie Mae to give approval for the commencement of Services under a Statement of Work or, if the parties have not executed a Statement of Work, to order Services. A Purchase Order shall be read together with and deemed to be part of the Statement of Work in connection with which it is issued, if applicable.

"Services" means tasks performed or to be performed by Supplier (and its agents and Subcontractors, if any) under this Agreement, including the production of the Deliverables, if any.

"Service Approval" means the approval by Fannie Mae for the commencement of Services by Supplier through the issuance of a Purchase Order, whether or not issued in conjunction with the execution of a Statement of Work.

"Statement of Work" means a document executed by both parties that describes the Services to be provided by Supplier under this Agreement.

"Subcontractors" means parties that contract directly with Supplier to perform Services and parties that contract with Subcontractors to perform Services.

"Terms" means these General Terms and Conditions.

"Work Products" means all works conceived or developed by Supplier, alone or with others, in connection with the Services and all other activities of Supplier (and its agents and Subcontractors, if any) associated with performing the Services.



Exhibit 1 - Requirements for Equal Employment Opportunity and HERA Inclusion Data.

Supplier commits to practice the principles of equal employment opportunity and non-discrimination in all its business activities. Supplier agrees to require each of its Subcontractors that provide services or goods to Fannie Mae to similarly commit to practice the principles of equal employment opportunity and non-discrimination in all their business activities.

Supplier acknowledges that Fannie Mae is subject to the Housing and Economic Recovery Act of 2008 and its regulations (together “HERA”) which, in part, require Fannie Mae to promote diversity and ensure, to the maximum extent possible in balance with financially safe and sound business practices, the inclusion and utilization of minorities, women, individuals with disabilities, and minority-, women-, and disabled-owned businesses at all levels, in management and employment, in all business and activities, and in all contracts for services of any kind. Supplier agrees to use commercially reasonable efforts to provide Fannie Mae with data regarding Supplier’s and, as related to the Agreement, Supplier’s agents’, Subcontractors’ and Suppliers’ diversity status, for those employees that are performing Services under the Agreement, including without limitation, appropriate certifications of minority-, women-, and disabled-owned status; reports, as reasonably requested, on the number of minorities, women, and individuals with disabilities utilized by Supplier and Supplier’s agents, Subcontractors, and Suppliers performing Services under the Agreement; and any other information Fannie Mae reasonably requests for purposes of complying with HERA or any other diversity and inclusion requirements.

Supplier is obligated to comply with the following requirements. Fannie Mae may modify these requirements to the extent necessary to comply with the Housing and Economic Recovery Act of 2008 (“HERA”). Fannie Mae may provide notice to Supplier of any such requirement changes via email.

1. **Ownership Status in Supplier Registration Profile.** Supplier will use commercially reasonable efforts to ensure that its Fannie Mae Supplier registration profile at <https://procureone.fanniemae.com> accurately reflects its ownership status, regardless of whether it is a “HERA-Inclusive” vendor. A “HERA-Inclusive” vendor is a business that is certified as either a minority-owned, woman-owned, or disabled-owned business. Supplier will find more information on ownership categories at www.fanniemae.com/aboutfm/procurement, which contains links to the currently applicable definitions.
2. **Ownership Information.** Within 30 days of any change of ownership, Supplier will use commercially reasonable efforts to update its registration profile in ProcureOne to reflect such ownership changes at <https://procureone.fanniemae.com>.



Exhibit 2: Fannie Mae Insurance requirements

Coverage	Minimum Limit of Insurance Recommended
General Liability (Per Occurrence)	The lesser of: \$1M or amount of Contract Award
Auto Liability (Per Occurrence or Combined Single Limit)	The lesser of: \$1M or amount of Contract Award
Workers Compensation/ Employer's Liability	Statutory/\$500K Employers Liability
Umbrella Liability	If applicable, \$1M