

SCHEDULE K: SERVICE PROVIDER SCOPE OF FUTURE SERVICES AND AUTHORITY - FUTURE PHASES

Should the Parties proceed with their expressed intent to contract for further services, it is expected that the future phases would include the Services outlined below.

SUMMARY OF SERVICES TO BE PROVIDED

In support of the administration of the Portfolio the Service Provider will

- manage cooperative housing rent supplement programs currently administered by CMHC, with the concurrence of the province where the province is a program funding partner¹;
- administer federal assistance to the Portfolio;
- approve and administer Additional Financial Contributions (AFC) to eligible projects;²
- provide a benchmarking and best practices service for cooperatives in the Portfolio.

LIMITATIONS ON SERVICES

Policy

In performing the Services the Service Provider will not

- have the authority to change Portfolio administration policies governing the Rent Supplement Programs except with the explicit agreement of CMHC.

The Service Provider will give advice to CMHC on the Rent Supplement Programs, as may be appropriate, but decisions to change the Program policies will rest with CMHC.

¹ CMHC administers cooperative rent supplement programs in Alberta, Ontario and PEI. Programs in the other provinces are provincially administered.

² AFC refers to a program of CMHC assistance offered to housing cooperatives funded under the 1979 – 1985 S95 Program who are experiencing a shortfall of income-tested assistance following the renewal of their mortgage at a lower interest rate and who meet specific eligibility criteria.

Program Guidelines

Before the Service Provider assumes responsibility for administering the Portfolio, CMHC and CHF Canada will review all existing CMHC guidelines governing the Rent Supplement Programs to be administered (the "Rent Supplement Guidelines") and agree on any changes to them that may be necessary to reflect the Service Provider's emphasis on plain-language communications. Final authority for approval of the guidelines rests with CMHC. The Service Provider will not make substantive changes to the Rent Supplement Guidelines afterwards without CMHC's consent.

Management of Program Funds

From the time that it assumes responsibility for administering federal assistance to the Portfolio and managing the rent supplement programs, the Service Provider will forward payment directions to CMHC in respect of each project receiving assistance under any of the Programs and the rent supplement programs. It will not hold the federal operating subsidies or rent supplement moneys at any point.

SCOPE AND AUTHORITY

Managing cooperative housing rent supplement programs currently administered by CMHC, with the concurrence of the province where the province is a program funding partner

1. The Service Provider will administer the rent supplement programs to which housing cooperatives in the Portfolio have access, in those provinces where CMHC currently administers those programs, in accordance with rent supplement program guidelines, agreements and policies.
2. The Service Provider will calculate all required rent supplement payments to projects, in accordance with the rent supplement program guidelines and agreements, and process adjustments, suspensions and reinstatements.
3. The Service Provider will remit a monthly rent supplement payment requisition to CMHC for each project in the program. CMHC will make rent supplement payments directly to the cooperatives, using its electronic funds transfer capability.
4. The Service Provider will prepare renewals of rent supplement agreements prior to their expiry and will act to ensure the timely execution of the agreements by participating housing cooperatives.
5. The Service Provider will respond to requests for information about the rent supplement programs from housing cooperatives in the Portfolio.

6. The Service Provider will maintain rent supplement program data in its database and analyse and report project and program-wide data to CMHC, as required.

Authority:

The Service Provider will advise CMHC of all project-level rent supplement payments and adjustments required in accordance with project rent supplement agreements and program guidelines. It may decline payment of rent supplement claims that are not in compliance with rent supplement agreements and guidelines but will otherwise suspend payment of rent supplements only with CMHC's consent.

Administering federal assistance to the Portfolio

1. The Service Provider will administer project-level subsidies in accordance with the Operating Agreements, CMHC Policies and Guidelines. It will calculate subsidies payable and process adjustments, suspensions and reinstatements.
2. The Service Provider will remit a monthly subsidy adjustment requisition to CMHC. CMHC will make subsidy payments directly to the cooperatives, using its electronic funds transfer capability, and, acting upon the Service Provider's requisition, adjust the payments as required.
3. On behalf of CMHC, the Service Provider will ensure the recovery and remittance to CMHC of unused federal assistance from Section 95 cooperatives, in accordance with the Operating Agreements, CMHC Policies and Guidelines.
4. The Service Provider will respond to requests for information about Program subsidies from housing cooperatives in the Portfolio.
5. The Service Provider will keep current subsidy data in its information system for each administered project in receipt of assistance and will analyse and report Program and Portfolio-wide data to CMHC, as required.

Authority:

The Service Provider will advise CMHC of all payments of and adjustments to project subsidies required in accordance with the Operating Agreements, CMHC Policies and Guidelines. It may suspend, with CMHC's consent, and restore subsidy payments in accordance with Program authorities.

Approving and administering Additional Financial Contributions (AFC) to eligible projects

1. The Service Provider will provide information to Section 95 housing cooperatives on the effects of a change in interest rate on mortgage rollover and receive, process and approve applications for an Additional Financial Contribution from CMHC, in accordance with the Guidelines.

Authority:

The Service Provider will review and approve or reject applications for AFC, in accordance with the Guidelines.

Providing a benchmarking and best practices service for projects in the Portfolio

1. From the data it obtains through the annual information returns, the Service Provider will develop and share with the Portfolio and with CMHC financial and other performance benchmarks for measurable aspects of project health. Benchmarks will be developed for the Portfolio as a whole and for identified cohort groups within the Portfolio, including Program cohorts. Comparisons to external benchmarks will be made where available. The Service Provider will provide advice to cooperatives on how to conduct their own benchmarking activities and to plan for superior performance.
2. The Service Provider's best-practices unit will identify superior performers among cooperatives in the Portfolio and, with their voluntary co-operation, gather in-depth information on their operations. The Service Provider will share information on the reasons for the cooperatives' success with other cooperatives in the Portfolio and will facilitate networking among cooperatives who wish to share best-practices information with each other.