

# Executive Summary

Board of Governors Meeting, December 6, 2023

## Mortgagee Self-Service Portal

### Topic

This Consent Item seeks to amend the contract with LenderDock, Inc. (“LenderDock”) to include Electronic Notification (“eNotification”) service to mortgage companies and increase the total spend authority to pay for this service. This new service will result in cost savings that far exceed the additional contract payments requested in this Consent Item.

### History

On June 11, 2020, Citizens issued an Invitation to Negotiate (ITN) No. 20-0019 for Mortgagee Self-Service Portal. The primary purpose was to provide a web-based self-service portal that allowed mortgage companies to retrieve policy-specific insurance information and documentation, resulting in reduced inbound call volumes to Citizens.

On October 20, 2020, LenderDock was awarded the contract. In its initial proposal, LenderDock offered to provide an early version of the eNotification service, but the parties decided to proceed with the other services first.

On December 16, 2020, the Board authorized a contract with LenderDock for a five (5) year initial term with an optional five (5) year renewal term and an approved contract amount of \$681,259. The contract was executed effective March 21, 2021.

LenderDock has unique relationships with approximately 2,000 mortgage companies (85% of the market). The current self-service web-based portal is saving Citizens an estimated \$825,000 per year by reducing the inbound call volume from mortgage companies. The cost to use eNotification service is approximately 73% lower than traditional print/mail costs. The eNotification service will ultimately reduce Citizens print/mail budget and costs by approximately \$1.93 million per year, resulting in an estimated net savings of \$1.23 million per year (see table below).

The request for an additional spend of \$1,402,449 is based on estimated volumes for the remaining two (2) years of the initial term plus a 10% contingency. There are no minimum or maximum volume commitments. The actual fees will be based on the number of notifications, which will fluctuate based on the number of policies-in-force.

	Year 1 March 22, 2024- March 21, 2025	Year 2 March 22, 2025- March 21, 2026	Total
Notifications <sup>1</sup>	3,541,539	3,541,539	7,083,078
eNotification Costs	(\$637,477)	(\$637,477)	(\$1,274,954)
Contingency	(\$63,748)	(\$63,748)	(\$127,495)
Print/Mail Cost	\$1,928,765	\$1,928,765	\$3,857,530
<b>Estimated Net Savings<sup>2</sup></b>	<b>\$1,227,540</b>	<b>\$1,227,540</b>	<b>\$2,455,080</b>

<sup>1</sup> Number of notifications is based on current volumes of notifications to mortgage companies.

<sup>2</sup> Actual Net Savings may vary +/-10% depending on tiered volume discounts.

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To ensure that Citizens receives updated pricing and solutions from the marketplace beyond March 2026, Citizens staff will issue a new competitive solicitation for eNotification service in 2024. Approval of any additional spend for eNotification service under the existing contract with LenderDock beyond March 2026 will require Board approval.

## Recommendation

The recommendation is set forth in the attached Consent Item.

## Mortgagee Self-Service Portal

 ACTION ITEM

 New Contract

 Contract Amendment

 Other \_\_\_\_\_

 CONSENT ITEM

 Contract Amendment

 Existing Contract Extension

 Existing Contract Additional Spend

 Previous Board Approval

 Other \_\_\_\_\_

**Action Items:** Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

- Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

**Consent Items:** Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

<b>Purpose/Scope</b>	<p>This Consent Item seeks Board approval to amend a contract with LenderDock, Inc. to add services and increase spending authority.</p> <p>The amendment would add an Electronic Notification (“eNotification”) service allowing Citizens to send policy documents electronically to mortgage companies instead of printing and mailing such documents. The eNotification fees are based on the volume of notices sent. Citizens staff estimates the annual fees to be \$701,225 per year. <i>The service will save an estimated print/mail cost of \$1.93 million per year, resulting in an estimated net savings of \$1.23 million per year.</i></p> <p>Citizens staff is requesting \$1,402,449 in additional spend authority to provide the eNotification service until the end of the contract’s initial term in March 2026.</p>
<b>Contract ID</b>	<p>Mortgagee Self-Service Portal</p> <p>Vendor: LenderDock Inc. – 21-20-0019-00</p>
<b>Budgeted Item</b>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Funds for this contract have been included in the proposed 2024 Annual Operating Budget and will be included in subsequent budgeting years.</p>
<b>Procurement Method</b>	<p>On June 11, 2020, Citizens issued ITN No.: <b>20-0019</b> for Mortgagee Self-Service Portal. On October 20, 2020, LenderDock, Inc. was recommended for</p>

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	award. On December 16, 2020, the Board approved a contract with LenderDock for an initial term of five (5) years and an optional renewal term of five (5) years.
<b>Contract Amount</b>	The current contract spend authority is \$681,259.00. This Consent Item seeks to increase the spend authority by \$1,402,449, to a total of \$2,083,708. The additional funds are expected to cover the fees for eNotification service for two years, from March 2024 to March 2026.
<b>Contract Term</b>	The contract has a five (5) year initial term ending in March 2026, with an optional five (5) year renewal.

<b>Board Recommendation from Staff</b>	<p>Staff recommends that the Board of Governors:</p> <ul style="list-style-type: none"> <li>a) Authorize an amendment to the contract with LenderDock, Inc. (Mortgagee Self-Service Portal) to add eNotification services and add \$1,402,449 in spending authority, bringing the total authorized contract amount to \$2,083,708; and</li> <li>b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li> </ul>
<b>CONTACTS</b>	Jeremy Pope, Vice President, Customer Experience