

# 2023 NOFA FAQs

## Table of Contents

- LIFT Rental NOFA ..... 2
- Webinar Questions ..... 2
- General LIFT NOFA Questions ..... 4
- New Questions about LIFT as of February 8 2023 ..... 5
- New Questions about LIFT as of February 15, 2023 ..... 6
- New Questions about LIFT as of February 24, 2023 ..... 8
- New Questions about LIFT as of March 8, 2023 ..... 8
- New Questions about LIFT as of March 16, 2023 ..... 9

<ul style="list-style-type: none"> <li>2023-2025 LIFT Expectations, 2</li> <li>Application           <ul style="list-style-type: none"> <li>Adjacent Parcels Vs Scattered Site, 10</li> <li>Column O #REF Error, 10</li> <li>Narrative Character Limits, 8</li> </ul> </li> <li>Awards           <ul style="list-style-type: none"> <li>When to expect, 9</li> </ul> </li> <li>CDM           <ul style="list-style-type: none"> <li>Cost Estimate LIFT, 5</li> </ul> </li> <li>Combining LIFT &amp; LIFT with PAB, 2</li> <li>Cost Escalation/Assumptions, 3</li> <li>Definition           <ul style="list-style-type: none"> <li>Co-Developer, 4</li> <li>Rural, 3</li> </ul> </li> <li>Developer Fee           <ul style="list-style-type: none"> <li>Can it change after application?, 11</li> </ul> </li> <li>Documentation           <ul style="list-style-type: none"> <li>2023 NOFA Charge Table, 10</li> <li>4% Preapplication Materials, 9</li> <li>Architects Codes &amp; Regs Letter, 8</li> <li>Financial Assumptions, 4</li> <li>GP Loan or Owner Equity Verification, 10</li> <li>Housing Authority Letter, 9</li> <li>Owner/Board of Directors Resolution, 8</li> <li>REO Schedule, 9</li> <li>Sponsor Performance Letter, 9</li> <li>Third Party Reports, 8</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Utility Allowance - PBV VS Modeled, 10</li> <li>Eligible Activity           <ul style="list-style-type: none"> <li>Motel Conversion, 8</li> </ul> </li> <li>Exception Request           <ul style="list-style-type: none"> <li>Reduced Replacement Reserves, 10</li> <li>Turn Key Property, 6</li> </ul> </li> <li>Follow-up. <i>See</i> 2023-2025 LIFT Expectations</li> <li>Form           <ul style="list-style-type: none"> <li>2022 Zoning Form, 4, 6</li> <li>AFHMP, 7</li> <li>AFHMP for For-Profits, 10</li> <li>Dev Team Capacity Supplemental, 7</li> <li>Permit Timeline, 5</li> <li>Schedule of Real Estate Format, 7</li> <li>What if we have building permits, 5</li> </ul> </li> <li>LIFT Eligible Organizations, 5</li> <li>LIFT with PAB           <ul style="list-style-type: none"> <li>Opportunity to fund potential gap, 2</li> <li>Process Expectation, 7</li> </ul> </li> <li>Multiple NOFA Applications, 8           <ul style="list-style-type: none"> <li>PSH &amp; LIFT, 8</li> </ul> </li> <li>MWESB           <ul style="list-style-type: none"> <li>Competitive RFQ, 6</li> </ul> </li> <li>NOFA Scoring Previous Round, 6</li> <li>OAHTC           <ul style="list-style-type: none"> <li>50% AMI Threshold, 4</li> </ul> </li> <li>Pre-Application</li> </ul>
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Change in Location, 7	Definition, 3
Charges, 5	Set-Aside
Funding List Published?, 3	Funding Waterfall, 7
Per Unit Limits Wrong?, 5	Mid-Sized Urban, 4
REO Schedule due?, 3	Site Review Checklist Reports, 3
QCSO	Threshold
Owner-Manager, 6	DCR at year 1, 3
Portfolio Performance & First Project, 11	Site Control Timing, 4
RS Means	Zoning & SB 8, 9
How to determine type, 6	Zoning Form, 3
Rural	Wildfire Disaster
CSO/CRO Resources, 3	NOFA Document, 5

## LIFT Rental NOFA

### Webinar Questions

**Question:** Does OHCS know if the LIFT program will return to usual next year? As in, will projects in the Portland metro be allowed to apply again in 2024?

**Answer:** We're not sure exactly how next year will work since we don't know what resources OHCS will receive from the Legislature for the 23-25 biennium yet

**Follow-up:** Do you have an expectation of when that budget is expected to pass in the legislature? Home Forward has projects in Portland that are likely to close in mid-to-late 2024 that would be a great fit for the program.

**Answer:** We'll know at the end of the legislative session, which is June 25, 2023.

**Question:** In an effort to reduce the demand for PAB will the department allow projects to come forward that utilize both LIFT with PAB and without in the same development? The idea being that if a project has multiple buildings it might be able to use both sources in the financial stack.

**Answer:** Yes, the two different LIFT sources can be used in the same project, but the project needs to be phased and the developer would submit separate applications for LIFT with PAB and LIFT Only that would be submitted in different NOFA years.

**Question:** If a project is going to be bypassed due to the \$48.56 LIFT/LIHTC cap, will it be given the opportunity to fund the potential gap and/or be evaluated for a LIFT only deal? For example, a deal is asking for \$6m in LIFT but you only have \$5m left under the \$48.56m Cap. Rather than see that go straight to LIFT only deals can it be reevaluated for a reduced LIFT LIHTC ask?

**Answer:** No, we can only consider an application the way that it is submitted on the due date. We can't consider other funding scenarios that were not submitted by the due date because of the competitive nature of the NOFA.

**Question:** Since scoring preferences lower subsidy requests and lower construction costs, how should projects reflect escalation expenses/assumptions so not to disadvantage projects that make more conservative assumptions to prevent issues later?

**Answer:** Section 4.3.11 – Construction Cost Escalation, on page 13 of the LIFT NOFA, gives guidance on how projects should reflect escalation expenses and assumptions.

**Question:** On the bottom of one of the tabs in the pre-application, the REO schedule is listed (it seems as part of the preapplication). Is this due on February 1st?

**Answer:** The REO schedule is due March 30<sup>th</sup> with the full NOFA application. It is not due on February 1st.

**Question:** For site review, will you accept reports from HUD's Enviro Assessment database in lieu of State/County/Local officials providing something similar? Some timelines to get that info have gotten longer along with everything else.

**Answer:** Yes, we will accept reports from HUD's Enviro Assessment database.

**Question:** If a project needs a higher DCR at year 1 vs these metrics in order to cash flow through year 30, will you make an exception to the max DCR at year 1?

**Answer:** With justification of the higher DCR in your application, we may be able to consider a departure from requirements.

**Question:** In rural communities, sometimes the closest organization to the project does not have the resources to expand to help a housing project in a meaningful way. What are our next steps? CSO/CRO's further away but better funded?

**Answer:** We understand that each community is different and project sponsors need to make the best decision possible for their project when looking for partners. We are unable to give advice as to how to proceed with your project during a competitive NOFA process.

**Question:** Will OHCS release the list of pre-applicants again this year, and if so by what date?

**Answer:** Yes, it is planned to be posted by the close of business on February 10, 2023.

**Question:** Have there been any changes on the definition of rural?

**Answer:** The rural definition is unchanged from 2022.

**Question:** If a property is currently part of a larger Urbanizable Area (UA) with underlying zoning already designated by the City's Comprehensive Plan that allows affordable housing for the UA, and the land use application for larger UA has been submitted for land use approval prior to the application date on March 30<sup>th</sup>, will this meet the Zoning Threshold requirement?

**Answer:** A zoning form completed by the jurisdiction where the property is located is required for all applicants and due with the full application by the application due date and time. Whether or not the information on the form meets the threshold will be determined by staff once received.

**Question:** Can you elaborate on 2.1.2 regarding OAHTC and the 50% AMI threshold? Is this pre-OAHTC rents or can post OAHTC rents meet that requirement?

**Answer:** For new construction projects, projects with OAHTC's will need to demonstrate passthrough that would result in tenant rents at or below 50% AMI. In order to receive points for lower AMIs in the LIFT NOFA, the OAHTCs would have to be restrict rents to 30% AMI over the 20-year OAHTC loan period.

**Question:** Can a zoning form used in last year's application be re-submitted this year?

**Answer:** The zoning form can be reused from a prior NOFA as long as it was completed within the past 12 months. This means that we can accept a zoning form from a 2022 NOFA submission as long as a copy of the current zoning map for the site is submitted with it.

**Question:** Do we have a midsized urban category this year?

**Answer:** No, due to the collaboration between Metro and OHCS to combine the Metro Bond funding with LIFT, the Portland Metro Counties are not included in the urban set-aside for 2023, which means that we have opted to not have a separate mid-sized urban category for 2023.

**Question:** Regarding site control, asking landowners to keep their land off the market until August is proving to be difficult to accomplish. Is there any opportunity to move that date up?

**Answer:** Site control is required to be held through December 31, 2023. This is a threshold item, however OHCS is hoping to have funding recommendations for Housing Stability Council by July 2023.

## General LIFT NOFA Questions

**Question:** What is the definition of Co-developer? Do they need to have a percentage of ownership?

**Answer:** Co-Developer means the Person identified as the Co-Developer who is also one of two or more Developers of the same Project, and which will actively participate in the development of the Project at least through the final application and is receiving part of the developer fee (not specified), and may or may not be part of the ownership structure.

**Question:** We wanted to confirm what backup will suffice for a 5% vacancy rate and a lower minimum annual replacement reserve deposit. Would a signed letter from lender be sufficient, or is other documentation necessary?

**Answer:** 5% vacancy rate request: A justification for the 5% vacancy rate in the application will be sufficient for the request.

Lower minimum annual replacement reserve: We generally do not consider decreasing annual replacement reserve deposits.

**Question:** The link in Section 6.3.15 does not appear to be working. Is that able to be fixed? (Link in Question:

<https://www.oregon.gov/ohcs/development/Documents/nofa/2021/FederallyDeclaredDisasterArea-PreferenceforNOFA.pdf>)

**Answer:** The correct URL is here:

<https://www.oregon.gov/ohcs/development/Documents/FederallyDeclaredDisasterArea-PreferenceforNOFA.pdf> And can also be found under Manuals & Information on the LIFT NOFA webpage.

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**NOTE: LIFT PREAPPLICATIONS WERE DUE FEBRUARY 1 2023 BY 11:59PM**

New Questions about LIFT as of February 8 2023

**Question:** What types of entities are eligible to apply for the 2023 LIFT NOFA?

**Answer:** All organizations are eligible to apply – for-profit organizations, nonprofit organizations, CHDOs, housing authorities, and local governments.

**Question:** Where can we find the new permit timeline worksheet, and does it need to be submitted with our preapplication or our NOFA application?

**Answer:** This worksheet is not needed for pre-application, however it is located on the NOFA webpage under “Supplemental Forms”.

<https://www.oregon.gov/ohcs/development/Pages/nofa23-local-innovation-and-fast-track-lift.aspx> It will also be in your project’s workcenter.

**Question:** Does the pre-application have a charge for the LIFT program?

**Answer:** No, there is no charge to submit a pre-application for LIFT.

**Question:** Are we required to submit the zoning form and permit timeline form if we already have approved building permits for a project applying for LIFT Rental funds?

**Answer:** Yes, please submit the zoning and permit timing forms as directed.

**Question:** Could you please clarify requirements for cost estimates for the LIFT NOFA with regard to the CDM Appendix P.1? Does this NOFA require a Type I or Type II? Type I would disallow the use of the SOV by the general contractor on the project, the entity which is more familiar with the plans, site and local community. Type III would presumably not be applicable to this NOFA.

**Answer:** Due to the innovative nature of the LIFT Rental program, we currently do not require adherence to the CDM for LIFT. OHCS’s 4% LIHTC & Private Activity Bonds do adhere to the CDM starting at Submittal 4 (section 4.0 in version 3.1 of the CDM), however that submittal is not part of the scope of the LIFT Rental NOFA.

**Question:** There seems to be a discrepancy in the per unit limits for Rural LIFT maximums (for projects with 4% LIHTC) in the preapplication spreadsheet vs what’s in the NOFA materials. The formula that calculates the maximum allowable LIFT request has two bedrooms at \$210,000 and three bedrooms at \$270,000. However the NOFA says two bedrooms should be \$200,000 and three bedrooms \$250,000. The studio and one bedroom limits match. Which per unit maximums are correct?

**Answer:** The per unit maximum amounts in the NOFA are correct.

**Question:** Could you clarify how we should select a comparable RS Means building type for our project. The height of our project is comparable to one category, but the construction type is comparable to a different type.

**Answer:** Please select the building that would best fit your project.

**Question:** Our jurisdiction utilized the 2022 zoning form to confirm our project. The 2023 form appears to contain the same information with slight changes to formatting. Is it acceptable to submit a 2022 format of the form?

**Answer:** Yes. You can submit the 2022 version of the zoning form.

**Question:** How would a project score 1 point for Owner-Manager? Does the culturally specific organization need to be both an owner and manager, or just one of them? If they are an owner, is there a minimum ownership percentage they need to own?

**Answer:** The Qualified Culturally Specific Organization would need to be the Managing Partner of the Single Asset Entity that would own the project.

**Question:** The LIFT NOFA states under 4.3.1 Eligible Activity : "LIFT Rental funds are for the creation of permanent affordable housing rental units via new construction or the conversion of existing non-housing structures into new affordable housing units." It further clarifies that projects currently under construction/site work will not be eligible. If an opportunity to acquire a project that has completed new construction; however, does not have C of O or any units leased, would OHCS consider a waiver to this part of the NOFA?

**Answer:** We can make an exception for a property that doesn't have certificate of occupancy prior to the LIFT legal documents being executed and hasn't been used for housing before- including new units that have never been lived in before. If the project that you're inquiring about meets both of these requirements, then it would be eligible to apply. Subject to the two applications per development team requirement in the LIFT NOFA (Section 5.2.1).

### [New Questions about LIFT as of February 15, 2023](#)

**Question:** Will OHCS share a more in-depth scoring sheet and/or notes from a previous LIFT NOFA application?

**Answer:** OHCS does not offer debrief opportunities about past NOFA applications during an active NOFA offering.

**Question:** Could you please clarify the Department's expectation around having a general contractor fully committed at the time of application? In years past, it was acceptable to do the final GC selection following funding awards. This year's MWESB questions require more detail (information from the GC about past performance for example). Our plan is to engage a qualified GC to assist with the application pricing, then select the final GC through a competitive RFQ process following funding. Could you let me know if this is still acceptable to OHCS?

**Answer:** This is still acceptable to OHCS however with the current constraints on PAB, projects that are not as far along in the development process may not score as well on some NOFA questions.

**Question:** Is it possible to change site locations from the one we submitted in our pre-application to a site in a different City?

**Answer:** Yes, you can change sites. Site Control is not required until the NOFA application is due.

**Question:** Looking through the set-asides and requests, it appears there will be approximately \$30 million in Rural LIFT Only and \$8.5 million in Urban LIFT Only remaining. Does that sound accurate, and will the remaining funds be allocated to the next highest scoring projects, or only projects in the respective set-asides (meaning Rural LIFT Only would be added to the Rural + LIHTC pool)?

**Answer:** This information is provided in section 2.2 Location Set-asides on pages 5 & 6 of the NOFA.

**Question:** We did not see the following required forms/documents for the LIFT application in the workcenter in Procorem. – Affirmative Fair Housing Marketing Plan (HUD Form required and Supplemental MOU or Narrative), Development Team Capacity Supplemental. We were unable to find the latest form on HUD's website.

**Answer:** The Affirmative Fair Housing Marketing Plan can be found here: <https://www.hud.gov/sites/documents/935-2A.PDF> This form is only needed as part of the Qualified Culturally Specific Organization documentation section.

The Development Team Capacity Supplemental document is a word document with the Development Team Capacity questions that are on the Narrative tab. If you need the word version of this document, please email [mfnofa@hcs.oregon.gov](mailto:mfnofa@hcs.oregon.gov) and it will be added to your NOFA workcenter.

**Question:** Will OHCS accept our schedule of real estate in a different form than the excel spreadsheet provided?

**Answer:** Our Portfolio & Asset Management Section has said it is acceptable, provided that any real estate projects currently located in OHCS's portfolio are indicated in some way.

**Question:** Given the current moratorium on 4% applications, what does the process look like for 4%/LIFT requests? Is the current view that Developers hoping to utilize both complete the LIFT process first and if awarded, go into a queue for future 4% applications? Are there any proposals internally that would allow for more than the current 36-month deadline for LIFT projects to be completed to coincide with uncertainty in the 4% process.

**Answer:** Current expectations are that LIFT projects hoping to utilize 4% LIHTC/PAB are applying for the LIFT NOFA first, then queue for a PAB closing date when we open that window. Current legislation under consideration may change the PAB process in the future. The 36-month deadline is an aspect of the Article XI-Q bond funding mechanism.

## New Questions about LIFT as of February 24, 2023

**Question:** Does OHCS require a Geotechnical Report, Phase 1 Environmental Report, Market Study, or Appraisal by the NOFA application deadline?

**Answer:** No, we do not require any of these reports at NOFA application.

**Question:** What is an “Architects Codes and Regulations Letter” – is there a format or content requirement at application stage?

**Answer:** This was a requirement for 4% LIHTC projects prior to the implementation of the CDM. It is not required for LIST and has been removed from the application materials list.

**Question:** Could you confirm what the item called ‘Owner/Board of Directors’ is in reference to? Is it missing a word?

**Answer:** This is the Owner/Board of Directors resolution of approval for applying to OHCS for the LIFT NOFA.

**Question:** Are you able to apply for multiple programs at the same time or are separate applications required? If separate applications, do they have to be in separate years? Do these programs allow to have them together? In other words, are you able to have both LIFT and PSH money on the same deal?

**Answer:** All NOFAs include a list of the eligible funding sources that can be applied for through that specific offering. We do not offer a way to apply for LIFT capital funds & PSH services/rental assistance slots at the same as those slots are not offered in the LIFT NOFA, and PSH has its own capital funds included in that NOFA. The application process for LIFT funds is described in section 5.2.1 ‘Applications’ on page 15 of the NOFA document.

There is no prohibition against submitting applications for the same project to separate NOFAs, however, each application must have balanced capital sources and uses, a feasible operating budget, and debt coverage ratio that does not rely on resources from any other competitive OHCS offering.

## New Questions about LIFT as of March 8, 2023

**Question:** Is conversion of a motel an eligible LIFT use?

**Answer:** Yes this would be considered an eligible activity, provided the units can be converted into Studio/Efficiency units instead of Single Room Occupancy (SRO) units. Please see the definition of Studio on page 9 of the LIFT NOFA.

**Question:** Are there character limits for the narrative questions besides the project narrative, which is 1000 characters or less?

**Answer:** No, there are no character limits for the narrative questions, however, staff requests that responses to narrative be kept to reasonable lengths since reviewers will need to read each response by each applicant carefully and completely.

**Question:** Is a 4% pre-application required to be included in the LIFT application for developments seeking 4% credits?

**Answer:** No, the 4% preapplication and all materials are already part of the LIFT application. Please do not submit the old 4% preapplication word document.

**Question:** Under Senate Bill (SB) 8 from 2021, any parcel that is currently zoned industrial or commercial can have streamlined zoning changes. Will OHCS allow SB 8 zoning changes, or will this process cause a threshold failure? Also, if the parcel is scheduled to be annexed into a jurisdiction after the NOFA due date, would this pass the zoning threshold requirement?

**Answer:** The parcel that is going to be the subject of the NOFA application needs to be zoned to allow the type of housing proposed in the application as of the NOFA due date (March 30, 2023).

**Question:** If applying for LIFT/4% do we need to submit all the checklist items under the 4% column?

**Answer:** Applicants do not need to provide the LIHTC program supplemental form, nor the Bond Counsel LOI.

**Question:** If a sponsor has existing projects with OHCS, are they required to submit an Owner/Sponsor performance letter?

**Answer:** If a sponsor has existing projects with OHCS they are required to submit the OHCS REO schedule or a similarly formatted document and are not required to submit an Owner/Sponsor performance letter.

**Question:** For the OHCS REO schedule, please more provide detail on what you are looking for in column I, Property Type (fin)?

**Answer:** Financing Type – LIHTC 9%/LIHTC 4%.

**Question:** For the funding schedule, when should we expect application decisions to be made?

**Answer:** Per the funding calendar on OHCS's website, funding recommendations are planned to be taken to the August 2023 Housing Stability Council meeting. This could change in the future, however this is the current plan. The funding calendar can be found here:

[https://www.oregon.gov/ohcs/development/Documents/ARH\\_FundingCalendar2023\\_revised.pdf](https://www.oregon.gov/ohcs/development/Documents/ARH_FundingCalendar2023_revised.pdf)

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**NOTE: FAQs ARE OFFICALLY CLOSED AS OF MARCH 16 2023 11:59PM**

New Questions about LIFT as of March 16, 2023

**Question:** Are applicants required to provide a letter from a Local Housing Authority? A sponsor has asked that we provide a letter committing to market new affordable units in their portfolio, should the sponsor receive OHCS funding. and would like to understand what the expectations are and what OHCS is requesting before committing to this.

**Answer:** The NOFA requests that applicants provide evidence that they have formed relationships needed to execute the strategies laid out in the application. The requirement is mostly trying to address the fact that OHCS has received applications that say 'We will work with a housing authority' to do something related to the project, and then we find out the housing authority was completely unaware of the project in question.

**Question:** I'm getting a #REF in Column O on the Rents and Income tab. Is there a quick fix for this?

**Answer:** Our application team let us know that error will not cause any calculation errors in the application, it was meant to be a helpful reference so applicants could see what the maximum allowable rents are without having to pull up the Rent and Income Limits from OHCS's webpage: <https://www.oregon.gov/ohcs/compliance-monitoring/Pages/rent-income-limits.aspx>

**Question:** If a sponsor plans to use a General Partner loan or owner equity as a source, what would the department like to see as commitment for that source?

**Answer:** Please provide a signed letter specifying the terms of any loan or owner equity being used.

**Question:** In recent LIFT rounds reduced replacement reserve amounts have been approved with adequate justification. Is still the case?

**Answer:** This is not a threshold requirement so please refer to section 6.3.11 – Competitive Scoring – Demonstration of Financial Viability. This is an operating expense and therefore a scored component under the Reasonable Request and Demonstrated need for resources.

**Question:** Does a sponsor that is not a Qualified Culturally Specific Organization (QCSO) need to submit an Affirmatory Fair Housing Marketing Plan (AFHMP)? This question is in reference to section 6.3.14 of the NOFA.

**Answer:** The AFHMP is referenced in the QCSO Organization Document file, it does not apply for for-profit developers.

**Question:** If a project site is 2 parcels that are adjacent to one another that are not required to be combined for the layout of the project site plan, per the local jurisdiction, should we submit as one site or two in the application?

**Answer:** Please submit as one site.

**Question:** Can you confirm where the current OHCS charges table is for the 2023 NOFAs?

**Answer:** The updated OHCS Charges table is on the Funding Opportunities webpage under 'NOFA Pre-Applications'. The direct link is here: <https://www.oregon.gov/ohcs/development/Documents/NOFA%20Charges%20Table.pdf>

**Question:** Our project has project-based vouchers (PBV) and will be using the Housing Authority (HA) issued utility allowance (UA) for those units. We have not completed the model yet so for now I am using estimates based on our portfolio of projects with modeled utilities. What evidence, if any, would you like for the non-PBV units?

**Answer:** If this if the project will be a LIHTC restricted property, the same Utility Allowance will need to be used for all units in a building, including PBV units. Because the project is using the HA's UA for the PBV units, then it will need to use the HA's UA for all units that are in the same building as the PBV units. For the non-PBV units, we only accept models from our approved

Utility Allowance Calculator list. Approved UA Calculators can be found here:

<https://www.oregon.gov/ohcs/compliance-monitoring/Documents/memos/Approved-UA-Calculators.pdf>

**Question:** Can the developer fee change after the LIFT Application is submitted, provided it meets the developer fee limit?

**Answer:** This is addressed in the Qualified Allocation Plan (QAP). The developer fee will be finalized at the time of construction/equity close. For projects not using LIHTC, OHCS enforces the same policy.

**Question:** If a Qualified Culturally Specific Organization (QCSO) is listed as a co-developer and Owner/Manager, how does OHCS calculate the portfolio performance score? ? If this is the first project for a QCSO that is listed as a co-developer and Owner/Manager, and do not have any projects in OHCS portfolio or other states, do they still need to submit an Owner/Sponsor performance letter?

**Answer:** If this is the QCSO's first housing project and they are partnering with a co-developer with projects in OHCS's portfolio, we will use the co-developer's OHCS Portfolio Performance for scoring. An Owner/Sponsor performance letter is not required to be provided for the QCSO in this case.