



## Fiscal Estimate Narratives

DFI 3/13/2012

LRB Number 11-4078/2	Introduction Number AB-0672	Estimate Type Original
<b>Description</b> Allocation of national mortgage foreclosure settlement proceeds and making appropriations		

### Assumptions Used in Arriving at Fiscal Estimate

This bill provides a biennial appropriation from the national mortgage foreclosure settlement for the Department of Financial Institutions to make \$10,000,000 in grants to assist nonprofit organizations and governmental bodies for the purpose of foreclosure mediation and foreclosure prevention.

The Department does not currently have a grant program in place and would need to develop a process to develop standards for applicant eligibility, establish grant structure and award criteria, notify potential applicants, review responses, select grant recipients, make and account for the awards, establish reporting criteria, monitor grant outcome and effectiveness, and ensure compliance with grant requirements.

It is estimated that to establish and administer the program will take 1.5 FTE project positions for three years. Assuming 1.0 Advanced Grant Specialist at an annual salary of \$60,000 and 0.5 FTE Grant Specialist at an annual salary of \$25,000, and total related fringe benefits of \$32,000, annual estimated costs for salary and fringe benefits is \$117,000 each year for three years. Supplies and services costs associated with this program are an estimated \$8,000 annually for equipment, mailing costs, telecommunications, travel, IT costs, and general supplies and services. Total annual administrative costs for this program are an estimated \$125,000 each year for three years.

The grant appropriation in the bill does not provide for administrative costs. These would need to come from general program operations. The position would need to continue beyond the end of the biennial grant awarding period in order to monitor the awards to ensure grants are used as intended.

### Long-Range Fiscal Implications