

A G R E E M E N T

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 6th day of June, 2017, by and between the COUNTY OF FRESNO, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and AmeriNational Community Services, LLC. d/b/a AmeriNat, hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS, the COUNTY receives Federal Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funds and other Federal and State housing funds to provide direct loans to low and moderate income persons and entities for housing and commercial rehabilitation activities, homebuyer down payment and mortgage assistance, and affordable housing development projects through its Affordable Housing Programs (AHP) and Façade And Commercial Enhancement (FACE) Program; and

WHEREAS, the COUNTY issued Request for Proposal (RFP) No. 17-063 for Loan Portfolio Management Services for its AHP and FACE programs; and

WHEREAS, CONTRACTOR represents that it is qualified and willing to perform such services under the terms and conditions hereinafter defined in this Agreement; and

WHEREAS, COUNTY wishes to engage CONTRACTOR to render such services in connection with projects implemented by COUNTY.

NOW, THEREFORE, in consideration of the warranties, covenants and commitments herein contained, the parties mutually agree as follows:

I. OBLIGATIONS OF THE CONTRACTOR

A. CONTRACTOR shall provide services in accordance with the specifications, terms, conditions, etc. of COUNTY'S RFP No. 17-063 and the CONTRACTOR'S response to COUNTY'S RFP No. 17-063, both incorporated herein by reference and made a part of this Agreement. The originals of such documents shall be maintained by the Department of Public Works & Planning, Community Development Division, at 2220 Tulare Street, 8th Floor, Fresno, California.

1 B. CONTRACTOR shall provide COUNTY with those services set forth in the
2 SCOPE OF WORK attached to this Agreement as Exhibit A and incorporated herein by
3 reference, for all loans owned by the COUNTY under its AHP and FACE programs.

4 C. CONTRACTOR shall provide all labor, material, equipment, taxes, incidentals,
5 etc. necessary to provide loan servicing and portfolio management services for the COUNTY'S
6 AHP and FACE program, as described in the RFP, at the fees set forth in CONTRACTOR'S
7 COST PROPOSAL, attached hereto as Exhibit B and incorporated herein by reference.

8 D. CONTRACTOR shall comply with all Federal, State, and local laws, rules and
9 regulations applicable to CONTRACTOR'S business, equipment and personnel engaged in
10 services covered by this Agreement.

11 E. Record Keeping and Reporting:

12 1) CONTRACTOR shall maintain books, records, papers, or other documents
13 relevant to the performance of its duties under this Agreement, and upon written request from
14 the COUNTY shall allow the COUNTY to inspect, audit, copy, or abstract, any and all of such
15 books, records, papers, or other documents. CONTRACTOR may maintain the required books,
16 records, papers, or other documents in electronic form.

17 2) CONTRACTOR shall use generally accepted accounting principles in the
18 maintenance of such books and records and shall retain all such books, records, and documents
19 for a period of five (5) years from the date such books and records are originally created.

20 F. Non-Collusion: CONTRACTOR covenants and declares that it has not
21 employed any person to solicit or procure this Agreement and that CONTRACTOR has not made
22 and will not make any payment of any compensation for the procurement of this Agreement. This
23 covenant shall survive the expiration or earlier termination of this Agreement.

24 G. Conflict of Interest: CONTRACTOR covenants and declares that it has not
25 and will not acquire any interest, directly or indirectly in any property acquired by the COUNTY
26 during the term of this Agreement. CONTRACTOR warrants and covenants that it presently has
27 no interest in, nor shall any interest be hereinafter acquired in any matter that will render the
28 services required under this Agreement a violation of any applicable Federal, State or local law.

1 In the event that any conflict of interest should hereinafter arise, CONTRACTOR shall promptly
2 notify the COUNTY in writing of the existence of such conflict of interest.

3 H. Confidentiality: CONTRACTOR agrees that such reports, information,
4 opinions or conclusions relevant to this Agreement and services provided hereunder shall not be
5 made available to or discussed with any individual or organization, including the news media,
6 without prior written approval of the COUNTY. CONTRACTOR shall exercise reasonable
7 precautions to prevent the unauthorized disclosure and use of the COUNTY information whether
8 deemed confidential or not.

9 I. Equal Employment Opportunity: During the performance of this Agreement,
10 CONTRACTOR agrees as follows:

11 1) CONTRACTOR shall not discriminate against any employee who is
12 employed in the work covered by this Agreement, or against any applicant for such employment,
13 because of race, color, religion, sex, age, national origin, marital status, or physical or mental
14 handicap unrelated in nature and extent so as to reasonably preclude the performance of such
15 work. This provision shall include, but not be limited to the following: employment, promotion,
16 demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay
17 or other forms of compensation; and selection for training, including apprenticeship.

18 2) CONTRACTOR shall include a similar non-discrimination provision in all
19 subcontracts for services covered by this Agreement and shall post and cause subcontractors to
20 post in conspicuous places available to employees and applicants for employment, notices
21 setting forth the substance of this clause.

22 J. Representation: CONTRACTOR represents that it has and shall continue to
23 have adequate and proper facilities and personnel to perform the services contained in this
24 Agreement; that it is duly authorized and qualified by law to enter into this Agreement and perform
25 such services. CONTRACTOR warrants that it shall faithfully and diligently perform the services
26 herein and shall employ as a minimum, generally accepted standards and practices employed
27 by other professional services, organizations, or persons engaged in providing similar services
28 in existence at the time of performance of its obligations herein.

1 II. OBLIGATIONS OF THE COUNTY

2 A. COUNTY shall pay CONTRACTOR for actual services rendered according to
3 the CONTRACTOR'S COST PROPOSAL (Exhibit B).

4 B. COUNTY reserves the right to negotiate additional items to this Agreement as
5 deemed necessary. Such additions shall be made in writing and signed by both parties.

6 III. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

7 A. CONTRACTOR, its consultants, and subcontractors shall comply with all
8 applicable laws and regulations concerning the services it has agreed to perform under this
9 Agreement, including all Federal and State laws and regulations governing projects/services that
10 utilize Federal funds.

11 B. Whenever CONTRACTOR uses the services of a consultant or Subcontractor
12 as permitted by Section XII hereunder, CONTRACTOR shall require in writing that such
13 consultant or subcontractor comply with all Federal, State, and local laws, ordinances,
14 regulations and Fresno County Charter provisions applicable to the performance of its work.

15 IV. ADDITIONAL SERVICES

16 A. In the event COUNTY requests CONTRACTOR to perform additional services
17 not specifically set forth in the Scope of Services (Exhibit A) and CONTRACTOR agrees to
18 perform the requested additional services, CONTRACTOR shall undertake such services only
19 after receiving written authorization from COUNTY.

20 B. Additional compensation, for any additional services shall be allowed as
21 agreed upon written approval by both COUNTY and CONTRACTOR.

22 V. ADDITIONAL TERMS

23 A. Ownership of Work: All reports, designs, drawings, plans, specifications,
24 schedules, work product and other materials prepared or in the process of being prepared for
25 the services to be performed by CONTRACTOR shall be considered property of the COUNTY
26 and the COUNTY shall be entitled to full access and copies of all such materials.

27 B. Force Majeure: Any delays in or failure of performance by either party, except
28 in respect of the obligation of payments under this Agreement, shall not constitute default of this

1 Agreement, if and to the extent such delays or failures are caused by occurrence(s) beyond the
2 reasonable control of the party affected, and which by the exercise of due diligence such party
3 is unable to prevent such occurrence(s) including but not limited to: acts of God, sabotage, war,
4 acts of terrorism, riots, insurrections, civil unrest, embargos, strikes, lockouts, fires, floods,
5 tornados, hurricanes or other natural disaster or governmental actions. In any such event, the
6 party claiming Force Majeure shall promptly notify the other party of the nature of the event in
7 writing, and, if reasonably possible, such notice shall set forth the extent and duration thereof,
8 and shall resume performance at the earliest possible date.

9 C. Licensing: CONTRACTOR operates under the regulation and jurisdiction of
10 various licensing authorities including the State of California, the requirements of which vary from
11 time to time. If CONTRACTOR'S authority to service loans in California is modified and/or
12 revoked due to changes in circumstances or regulation, CONTRACTOR shall provide prompt
13 notice of its requirement to terminate services and will terminate services before the latest
14 available date as allowed by regulatory authority. Termination under this provision will not be
15 deemed to be a default by CONTRACTOR, and no liability will exist to reimburse the COUNTY
16 for any losses incurred as a result of the termination. If services are terminated under this
17 provision, the COUNTY will not be liable to CONTRACTOR for any transfer fees specified in the
18 fee section of this Agreement.

19 D. Penalties and Assessments Related to 1098 Reporting: If the services to be
20 provided under this Agreement include the acceptance of loan payments, CONTRACTOR will
21 submit the required 1098 tax forms to the Internal Revenue Service for any and all borrowers
22 making interest payments. If the loan data provided by the COUNTY does not include a social
23 security number for a borrower(s), CONTRACTOR will exercise all reasonable means to obtain
24 such social security number(s). CONTRACTOR will also notify the COUNTY, at a minimum of
25 one time annually, of any social security numbers which remain missing. If the lack of any
26 available social security number(s) results in a penalty or fine assessed by the Internal Revenue
27 Service, COUNTY upon notification of the amount of the penalty or fine shall immediately
28 reimburse CONTRACTOR for any such penalty or fine paid or to be paid.

1 E. Waiver: No waiver by either party of any covenant or condition of this
2 Agreement shall be valid unless in writing and signed by the party so waiving. Neither the failure
3 by either party in any one or more instances to insist upon the complete and total observance or
4 performance of any term or provision herein, nor the failure by either party to exercise any right,
5 privilege, or remedy conferred herein or afforded by law, shall be construed as waiving any
6 breach of such term, provision or the right to exercise such right, privilege or remedy thereafter.
7 In addition, no delay on the part of either party in exercising any right or remedy herein shall
8 operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy
9 preclude other or further exercise thereof, or the exercise of any other right or remedy.

10 VI. INITIAL TERM

11 The initial term of this Agreement shall become effective on the first date written
12 hereinabove and shall remain in effect for three (3) years.

13 VII. RENEWAL

14 This Agreement may be extended for two (2) additional consecutive one (1) year
15 periods upon written approval of both parties no later than thirty (30) days prior to the first day of
16 the next one (1) year extension period. The Director of Public Works and Planning or his or her
17 designee is authorized to execute such written approval on behalf of COUNTY based on
18 CONTRACTOR's satisfactory performance.

19 VIII. TERMINATION

20 A. Non-Allocation of Funds: The terms of this Agreement and the services to be
21 provided thereunder, are contingent upon the approval of funds by the appropriating government
22 agency. Should sufficient funds not be allocated, the services provided may be modified, or this
23 Agreement terminated, at any time by giving the CONTRACTOR sixty (60) days advance written
24 notice.

25 B. Breach of Contract: The COUNTY may immediately suspend or terminate the
26 Agreement in whole or in part, where in the determination of the COUNTY there is:

- 27 1) An illegal or improper use of funds;
28 2) A failure to comply with any term of this Agreement;

- 1 3) A substantially incorrect or incomplete report submitted to the COUNTY;
- 2 4) Improperly performed service.

3 In no event shall any payment by the COUNTY constitute a waiver by the

4 COUNTY of any breach of this Agreement or any default which may then exist on the part of the

5 CONTRACTOR. Neither shall such payment impair or prejudice any remedy available to the

6 COUNTY with respect to the breach or default. The COUNTY shall have the right to demand of

7 the CONTRACTOR the repayment to the COUNTY of any funds disbursed to the

8 CONTRACTOR under this Agreement, which in the judgment of the COUNTY were not

9 expended in accordance with the terms of this Agreement. The CONTRACTOR shall promptly

10 refund any such funds upon demand.

11 C. Without Cause: Under circumstances other than those set forth above, this

12 Agreement may be terminated by COUNTY upon the giving of sixty (60) days advance written

13 notice of an intention to terminate to CONTRACTOR.

14 D. If the COUNTY files a voluntary petition in bankruptcy, is adjudicated

15 bankrupt, or makes a general assignment for the benefit of creditors, the CONTRACTOR may,

16 at its option and without further notice to or demand upon the COUNTY, immediately cancel

17 and/or terminate this Agreement, and terminate each and every right of the COUNTY, and any

18 person claiming any rights by or through the COUNTY. The rights and remedies of the

19 CONTRACTOR in this paragraph are cumulative and shall not limit, waive, or deny any of the

20 CONTRACTOR'S rights under any other provision of the Agreement. Nor does the Section

21 otherwise waive or deny any right or remedy at law or in equity, existing as of the date of this

22 Agreement or hereinafter enacted or established that may be available to the CONTRACTOR

23 against the COUNTY.

24 IX. COMPENSATION/INVOICING

25 A. COUNTY agrees to pay CONTRACTOR and CONTRACTOR agrees to

26 receive compensation at the rates set forth in Exhibit B to this Agreement. CONTRACTOR shall

27 submit monthly invoices in duplicate to:

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County of Fresno
Community Development Division
Attention: Grant Administrator
2220 Tulare Street, 6th Floor
Fresno, CA 93721

B. In no event shall services performed under this Agreement be in excess of One Hundred Sixty Five Thousand dollars (\$165,000) for the initial term of this Agreement and Fifty Five Thousand dollars (\$55,000) for each of the two one-year renewal periods. In no event shall the total compensation under this Agreement exceed Two Hundred Seventy Five Thousand dollars (\$275,000) for the entire potential five (5) year contract term. It is understood that all expenses incidental to CONTRACTOR'S performance of services under this Agreement shall be borne by CONTRACTOR.

X. INDEPENDENT CONTRACTOR

In performance of the work, duties and obligations assumed by CONTRACTOR under this Agreement, it is mutually understood and agreed that CONTRACTOR, including any and all of the CONTRACTOR'S officers, agents, and employees will at all times be acting and performing as an independent CONTRACTOR, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venture, partner, or associate of the COUNTY. Furthermore, this Agreement is by and between the COUNTY and CONTRACTOR and is not intended and shall not be construed to create the relationship of agent, servant, employee partnership, joint venture, or association, as between the COUNTY and CONTRACTOR. The employees and agents of one party are not the employees or agents of the other party for any purpose whatsoever. The CONTRACTOR and its employees are independent contractors and are not employees of the COUNTY. COUNTY shall have no right to control or supervise or direct the manner or method by which CONTRACTOR shall perform its work and function. However, COUNTY shall retain the right to administer this Agreement so as to verify that CONTRACTOR is performing its obligations in accordance with the terms and conditions thereof.

CONTRACTOR and COUNTY shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

1 Because of its status as an independent contractor, CONTRACTOR shall have
2 absolutely no right to employment rights and benefits available to COUNTY employees.
3 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, its
4 employees all legally required employee benefits. In addition, CONTRACTOR shall be solely
5 responsible and save COUNTY harmless from all matters relating to payment of
6 CONTRACTOR'S employees including compliance with Social Security withholding and all other
7 regulations governing such matters. It is acknowledged that during the term of this Agreement,
8 CONTRACTOR may be providing services to others unrelated to the COUNTY or to this
9 Agreement.

10 XI. MODIFICATIONS

11 Any matters of this Agreement may be modified from time to time by the written
12 consent of all the parties without, in any way, affecting the remainder.

13 XII. NON-ASSIGNMENT

14 Neither party shall assign, transfer or sub-contract this Agreement nor their rights
15 or duties under this Agreement without the prior written consent of the other party.

16 XIII. INDEMNIFICATION

17 Each party to this Agreement shall indemnify, defend and hold harmless the other
18 parties, their officers, agents, employees and representatives, from any and all loss, liability,
19 costs, expenses and damage to persons or property, and from any and all claims demands and
20 actions in law or equity (including attorney's fees and legal expenses) arising or alleged to have
21 arisen directly from the wrongful act caused by its respective activities pursuant to this
22 Agreement.

23 XIV. INSURANCE

24 Without limiting the COUNTY'S right to obtain indemnification from
25 CONTRACTOR or any third parties, CONTRACTOR, at its sole expense shall maintain in full
26 force and effect the following insurance policies or a program of self-insurance, throughout the
27 term of this Agreement:

28 A. Commercial General Liability: Commercial General Liability Insurance with

limits of not less than One Million dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million dollars (\$2,000,000). This policy shall be issued on a per occurrence basis.

B. Automobile Liability: Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than Two Hundred Fifty Thousand dollars (\$250,000) per person, Five Hundred Thousand dollars (\$500,000) per accident and for property damages of not less than Fifty Thousand dollars (\$50,000), or such coverage with a combined single limit of Five Hundred Thousand dollars (\$500,000). Coverage should include owned and non-owned vehicles used in connection with this Agreement.

C. Professional Liability: Professional Liability Insurance with limits of not less than One Million dollars (\$1,000,000,000) per occurrence, Three Million dollars (\$3,000,000,000) annual aggregate for claims arising out of professional services caused by the CONTRACTOR'S errors, omissions, or negligent acts.

D. Worker's Compensation: A policy of Worker's Compensation insurance as may be required by the California Labor Code.

CONTRACTOR shall obtain endorsements to the Commercial General Liability insurance naming the COUNTY of Fresno, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by COUNTY, its officers, agents and employees shall be excess only and not contributing with insurance provided under CONTRACTOR'S policies herein. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to COUNTY.

Within thirty (30) days from the date CONTRACTOR signs and executes this Agreement, CONTRACTOR shall provide certificates of insurance and endorsement evidencing coverage as stated above for all of the foregoing policies, as required herein, to the County of Fresno, Community Development Division, at 2220 Tulare Street, 6th Floor, Fresno, CA, 93721, stating that such insurance coverages have been obtained and are in full force; that the County of Fresno, its officers, agents, and employees will not be responsible for any premiums on the

1 policies; that such Commercial General Liability insurance names the County of Fresno, its
2 officers, agents, and employees individually and collectively as additional insured, but only
3 insofar as the operations under this Agreement are concerned; that such coverage for additional
4 insured shall apply as primary insurance and any other insurance, or self-insurance, maintained
5 by COUNTY, its officers, agents, and employees shall be excess only and not contributing with
6 insurance provided under CONTRACTOR'S policies herein; and that this insurance shall not be
7 cancelled or changed without a minimum of thirty (30) days advance, written notice given to
8 COUNTY.

9 In the event CONTRACTOR fails to keep in effect at all times insurance coverage
10 as herein provided, the COUNTY may in addition to other remedies it may have, suspend or
11 terminate this Agreement upon the occurrence of such event.

12 All policies shall be issued by admitted insurers licensed to do business in the
13 State of California, and such insurance shall be purchased from companies possessing a current
14 A.M. best, Inc. rating of A FSC VII or better.

15 XV. AUDITS AND INSPECTIONS

16 The CONTRACTOR shall at any time during business hours, and as often as the
17 COUNTY may deem necessary, make available to the COUNTY for examination all of its records
18 and data with respect to the matters covered by this Agreement. The CONTRACTOR shall, upon
19 request by the COUNTY, permit the COUNTY to audit and inspect all of such records and data
20 necessary to ensure CONTRACTOR'S compliance with the terms of this Agreement.

21 If this Agreement exceeds Ten Thousand dollars (\$10,000), CONTRACTOR shall
22 be subject to the examination and audit of the Auditor General for a period of three (3) years after
23 final payment under contract (Government Code Section 8546.7).

24 XVI. NOTICES

25 A. All notices to be given under this Agreement by either party to the other party
26 shall be in writing, and given by any one of the following methods:

27 1) Personal delivery;

28 2) Sent by certified United States mail, first class postage prepaid, with return

1 receipt requested, to the applicable addresses as set forth below, in which case such notice shall
2 be deemed given five (5) business days if COUNTY is the recipient, or five (5) business days if
3 CONTRACTOR is the recipient, after such deposit and postmark with the United States Postal
4 Service;

5 3) Sent by a reputable overnight commercial courier, in which case such notice
6 shall be deemed given one (1) business day if COUNTY is the recipient, or one (1) business day
7 if CONTRACTOR is the recipient, after such deposit with that courier to the applicable address
8 as set forth below.

9 B. The persons and their addresses having authority to give and receive
10 notices under this Agreement include the following:

11 COUNTY
12 COUNTY OF FRESNO
Community Development Division
Attn: Loan Servicing
13 2220 Tulare Street, 6th Floor
Fresno, CA 93721

11 CONTRACTOR
AmeriNat
Attn: Amber Loverink, Marketing &
Contracts Manager
217 South Newton Avenue
14 Albert Lea, MN 56007

15 Provided however, such notices may be given to such person or at such other
16 place as either of the parties may from time to time designate by giving written notice to the other
17 party, and provided further however, in any event, notices of changes of address, or termination
18 of the Agreement shall not be effective until actual delivery of such notice. Notices given
19 hereunder shall not be amendments or modifications to this Agreement.

20 XVII. GOVERNING LAW

21 Venue for any action arising out of or related to this Agreement shall only be in
22 Fresno County, California. The rights and obligations of the parties and all interpretation and
23 performance of this Agreement shall be governed in all respects by the laws of the State of
24 California without regard to conflicts of law principles.

25 XVIII. SURVIVAL

26 Terms and conditions of this Agreement, which by their sense and context survive
27 the expiration or termination of this Agreement, shall so survive.

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1 XIX. SEVERABILITY

2 Should any part of this Agreement be declared by a final decision by a court or
3 tribunal of competent jurisdiction to be unconstitutional, invalid or beyond the authority of either
4 party to enter into or carry out such decision shall not affect the validity of the remainder of this
5 Agreement, which shall continue in full force and effect, provided that the remainder of this
6 Agreement, absent the unexcised portion, can be reasonably interpreted to give effect to the
7 intentions of the parties.

8 XX. DUPLICATE ORIGINAL

9 The original of this Agreement and one or more copies hereto have been prepared
10 and signed in counterparts as duplicate originals, each of which so executed shall irrespective of
11 the date of its execution and delivery be deemed an original. Each duplicate original shall be
12 deemed an original instrument as against any party who has signed it.

13 XXI. AUTHORITY TO EXECUTE THIS AGREEMENT

14 Both parties hereto represent and warrant that they have the full right, power and
15 authority to execute this Agreement.

16 XXII. DISCLOSURE OF SELF-DEALING TRANSACTIONS

17 This provision is only applicable if the CONTRACTOR is operating as a
18 corporation (a for-profit or non-profit corporation) or if during the term of this Agreement, the
19 CONTRACTOR changes its status to operate as a corporation.

20 Members of the CONTRACTOR'S Board of Directors shall disclose any self-
21 dealing transactions that they are a party to while CONTRACTOR is providing goods or
22 performing services under this Agreement. A self-dealing transaction shall mean a transaction
23 to which the CONTRACTOR is a party and in which one or more of its Directors has a material
24 financial interest. Members of the Board of Directors shall disclose any self-dealing transactions
25 that they are a party to by completing and signing a Self-Dealing Transaction Disclosure Form
26 (Exhibit C) and submitting it to the COUNTY prior to commencing with the self-dealing transaction
27 or immediately thereafter.

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1 XXIII. ENTIRE AGREEMENT

2 This Agreement constitutes the entire agreement between the CONTRACTOR
3 and COUNTY with respect to the subject matter hereof and supersedes all previous Agreement
4 negotiations, proposals, commitments, writings, advertisements, publications, and
5 understanding of any nature whatsoever unless expressly included in this Agreement. In the
6 event of any inconsistency in interpreting the documents which constitute this Agreement, the
7 inconsistency shall be resolved by giving precedence in the following order of priority:

8 1) The text of this Agreement (excluding COUNTY'S Request for Proposal No.
9 17-063 and CONTRACTOR'S proposal in response thereto;

10 2) COUNTY'S Request for Proposal 17-063; and

11 3) CONTRACTOR'S Proposal in response to COUNTY'S Request
12 for Proposal No. 17-063.

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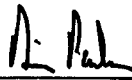
28 G:\7205ComDev\Agendas-Agreements\2017\0606_AgreementwithAmeriNat_AGT.docx

1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day
2 and year first hereinabove written.

3 AMERINATIONAL COMMUNITY
4 SERVICES, LLC.
5 d/b/a
6 AMERINAT

COUNTY OF FRESNO

7 By: 
8 Adrienne L. Thorson
9 Chairperson & CEO

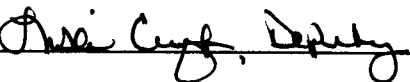
By: 
Brian Pacheco, Chairman
Board of Supervisors

10 Date: 4-27-17

11 By: _____
12 Michael Torres
13 President & COO

ATTEST: Bernice E. Seidel, Clerk
Board of Supervisors

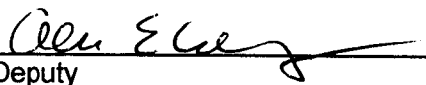
14 Date: _____

By: 

15 REVIEWED AND RECOMMENDED
16 FOR APPROVAL

APPROVED AS TO ACCOUNTING FORM
Oscar J. Garcia, CPA
Auditor-Controller/Treasurer - Tax

17 By: 
18 Steven White, Director
19 Department of Public Works
20 and Planning

By: 
Deputy

21 APPROVED AS TO LEGAL FORM
22 Daniel C. Cederborg, County Counsel

23 By: 

24
25 FUND NO: 0001
26 SUBCLASS NO: 10000
27 ORG NOS: 7205/55122008/55121702/55122013/55122016
28 ACCOUNT NO: 7295
ACTIVITY CODE: 7201(org 7205); 7701(org 55122008)

REMIT TO:
AmeriNat
217 South Newton Avenue
Albert Lea, MN 56007

1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day
2 and year first hereinabove written.

3 AMERINATIONAL COMMUNITY
4 SERVICES, LLC.
5 d/b/a
6 AMERINAT

7 By: _____
8 Adrienne L. Thorson
9 Chairperson & CEO

10 Date: _____

11 By: _____
12 Michael Torres
13 President & COO

14 Date: 4/27/17

15 REVIEWED AND RECOMMENDED
16 FOR APPROVAL

17 By: _____
18 Steven White, Director
19 Department of Public Works
20 and Planning

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23
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25 FUND NO: 0001
26 SUBCLASS NO: 10000
27 ORG NOS: 7205/55122008/55121702/55122013/55122016
28 ACCOUNT NO: 7295
ACTIVITY CODE: 7201(org 7205); 7701(org 55122008)

COUNTY OF FRESNO

By: _____
Brian Pacheco, Chairman
Board of Supervisors

ATTEST: Bernice E. Seidel, Clerk
Board of Supervisors

By: _____

APPROVED AS TO ACCOUNTING FORM
Oscar J. Garcia, CPA
Auditor-Controller/Treasurer - Tax

By: _____
Deputy

APPROVED AS TO LEGAL FORM
Daniel C. Cederborg, County Counsel

By: _____

REMIT TO:
AmeriNat
217 South Newton Avenue
Albert Lea, MN 56007

EXHIBIT A

Scope of Work

As your current service provider, AmeriNat is familiar with the County's servicing requirements, and are currently providing the requested scope of service as outlined in the RFP and stated below.

1. **Describe the procedures for loan set up, (i.e., account set up), including issuance of a loan number unique to each loan, and establishment of payment schedule. Bidder must describe procedure and turnaround time from loan assignment (County to notice servicer by electronic mail) to first noticed billing to borrower for first monthly payment. See EXHIBIT 2 for detail.**

As a current client of AmeriNat, the County's loan portfolio is already on our system. This section describes the initial portfolio conversion and future on-boarding of loans.

We are experienced with large portfolio integration through bulk transfers, as well as the ongoing generation of existing clients. Our customer service and IT departments work together on the coordination of all transfers. A typical implementation timeframe is ninety days from award to service initiation. This timeframe depends in part on data availability from the current servicers. AmeriNat's servicing platform is compatible with most systems being utilized today, which generally provides for a streamlined data transfer process. A typical process is for the data to be pulled from the existing servicer's system into Excel or another commonly used platform, and then migrated onto our system.

The following table outlines typical milestones in the implementation of service for new portfolios.

Milestones	Activities	Deliverables
1. Implementation Planning	• Define roles and responsibilities; obtain preliminary information about portfolio • Client meetings • Plan implementation and schedule conversion date • Determine available formats for data	Implementation plan and schedule
2. Requirements Preparation	• Program data files with needed fields of information required to board loans • Receive and review preliminary test files from current servicers system (re-run as necessary for completeness and accuracy checks to be satisfied) • Run exception testing on missing, illogical, or unexpected data results • Records tested against original loan documents, if available, for consistency • Prepare program guidelines • Forward proposed borrower welcome package to client for approval	Completed program guidelines; completed approved welcome packages

Milestones	Activities	Deliverables
3. Data Programming	• Transfer loan data into AmeriNat's system • Quality control review of set up reports, trial balances • Cash and loan balancing	Data entered
4. File and Data Reconciling	• Hardcopy (copy) files or electronic images transferred • Records tested against original loan documents for consistency • Data reconciling and balancing, acknowledgement by the client	Portfolio status report sign-off
5. Borrower Notifications	• Good-bye letters (client) a minimum of 15 days prior to the servicing start date. AmeriNat to supply a sample and assist with this process if requested • Send each borrower a welcome letter (English or Spanish), a Servicing Transfer Notice, FACT Act Notice, an annual supply of coupons or invoices, and ACH payment information	15-day letter; welcome letter and necessary servicing transfer notices and letters
6. Training	• Review program guidelines with staff • Provide client staff training for web-based reporting	Completed reviews and training
7. Service Conversion	• Update data as of the date of transfer, including account/reference number, current balance, next payment due, date of last payment, accrued interest, and current impound/escrow balance • Provide client staff with website logon credentials and passwords	Transfer of service
8. Quality assurance team 90 day responsibilities	• Weekly review of portfolio performance with client • Review of each report with client during first two months of servicing • Operations meeting with multiple client departments to review status • Intensified management review of reports for each of the first three months, looking for possible posting errors, verifying report accuracy and completion, discrepancy review • Additional exception reporting review and overall analysis of borrower remittances in line with expectations	Review notes and completed reports to management

Training is integrated within each step of the implementation phase. Detailed instructions and forms are provided to aid the process. Borrowers are provided coupon books, contact information and easy to understand transfer information (available in English and Spanish). Monthly statements can also be provided, with the postage costs passed through to the County. The introductory packet that new borrowers receive includes our 1-800 telephone numbers for contact, office address information, and our website which has a direct link to us. The borrowers can request additional documentation through any of these means, and also have their payment history and loan terms available to them via our website loan tool.

The borrower services team assigned to the client is familiarized with the servicing and program requirements so that any one of them can take a call from a borrower and provide an

immediate answer to the common questions. During the transfer process property insurers are notified of the new loss payee information. The status of any existing property tax contracts is verified or new contracts are ordered. We obtain escrow funds from the lender/servicer and request a copy of the most recent escrow analysis completed.

Individual loans on a go-forward basis are set up manually but through much the same process. Once we are able to determine that the loan data to be moved to AmeriNat is accurate and complete, the loans are boarded onto our system. Prior to accepting any payments, the resulting portfolio data is run through a rigorous audit and review system, and will be verified by our staff.

The expected results of a well-defined and executed implementation phase is seamless service delivery from the date of boarding. However, even the smoothest of transfers can have unforeseen problems. We provide an intensified monitoring of your portfolio during the first ninety days of actual servicing. This review looks for possible posting errors, verifies report accuracy and completion, and looks for any discrepancies that seem out of the ordinary. We will have frequent meetings between our staff and yours to ensure that the full reporting capabilities of our system are understood and utilized, and to quickly and completely address questions by either party.

We have had numerous clients that have boarded loans with us where the previous servicing had resulted in inaccurate loan balances, such as through missing payment information or the improper posting of partial payments. We have developed a service through which we reconstruct the booked loans to be consistent with the terms and conditions of the original loan documents. Reconstruction work typically involves a detailed review of payment histories to determine posting accuracy and compliance with amortization statements, truth in lending statements, and other applicable loan documents. This is particularly helpful when prior servicing has resulted in incorrect posting of payments. The reconstruction fee varies depending on the scope of the project.

2. Describe bidder's loan management and record keeping systems, including whether and which electronic reports are accessible to the County online. Include pertinent sample reports to address reporting requirements of the County's Loan Servicing Services.

AmeriNat's proprietary servicing system, ALIAS, was designed specifically for the types of loans generated by municipalities and housing finance agencies under affordable housing and economic development programs. AmeriNat has compared its system capabilities with off-the-shelf servicing packages, and has consistently found that the unique terms and structures inherent in these types of loans necessitate a custom-designed system in order for the necessary processes to be enacted in an accurate and efficient fashion. The system components, workflows and interfaces are designed around the requirements of the loan programs being serviced. ALIAS is highly customize-able and through our on-staff programmers, who are further assisted through an operating agreement with an independent software programming firm, we are able to respond quickly and effectively to additional reporting or functionality requests by clients.

Authorized County staff can view, print, and download all of their portfolio data, at any time, via their own computer terminals utilizing AmeriNat's online banking product, LoanLink. Data reporting is customizable and can be reported in several ways, including program type, funding source and funding year. In addition, hard copy reports can be provided at no extra cost.

AmeriNat's standard reports are designed to meet the County's objectives and funding source requirements. A detailed list of AmeriNat's standard investor reports is located in scope item #15 below.

Sample monthly reports can be found under the "Report" section of this proposal.

3. Describe the process for payment processing and recording.

AmeriNat will collect payments from the borrowers through monthly or other scheduled remittances of principal, interest, fees, escrow balances and other identified payments.

In the event that a check is returned to us unpaid due to non-sufficient funds, a returned check fee will be assessed. A letter will be sent to the borrower requesting immediate payment plus the returned check fee. If this fee is not received, a memo will be placed on the individual's account and the fee will be collected at the time the loan is paid off.

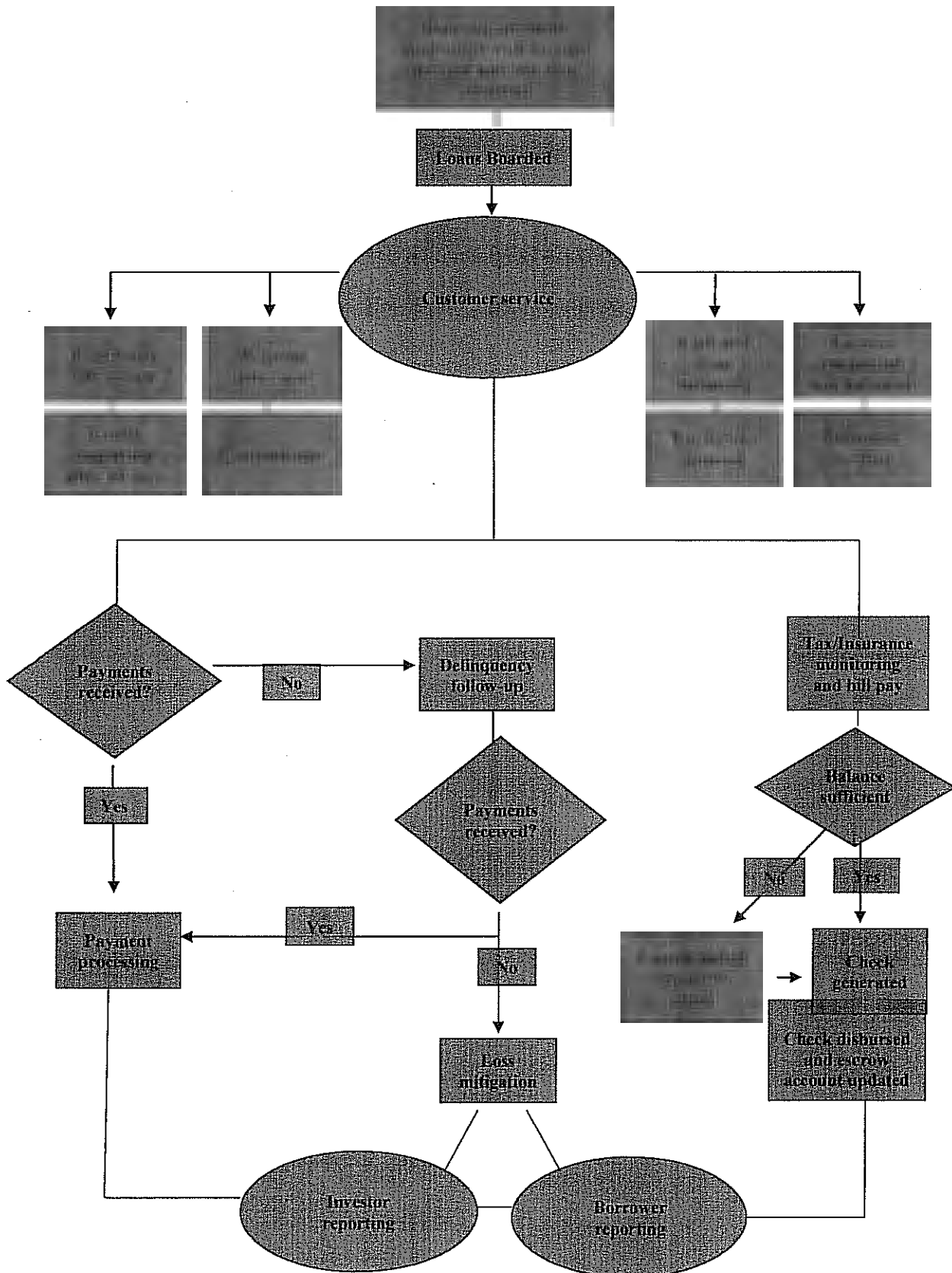
AmeriNat utilizes a lockbox service so that the County's funds are directly placed in a custodial account upon receipt. Use of the lockbox service increases timeliness in the posting of payments and offers a secure, segregated location for the processing of checks and cash. Payments received through any or all of these methods are processed the same day as received. Partial payments are held in a suspense account for the benefit of the borrower, until such time as a full payment is received and can be posted to the loan record.

All funds will be maintained in an FDIC insured banking institution in a custodial account for the benefit of County and the borrowers as applicable.

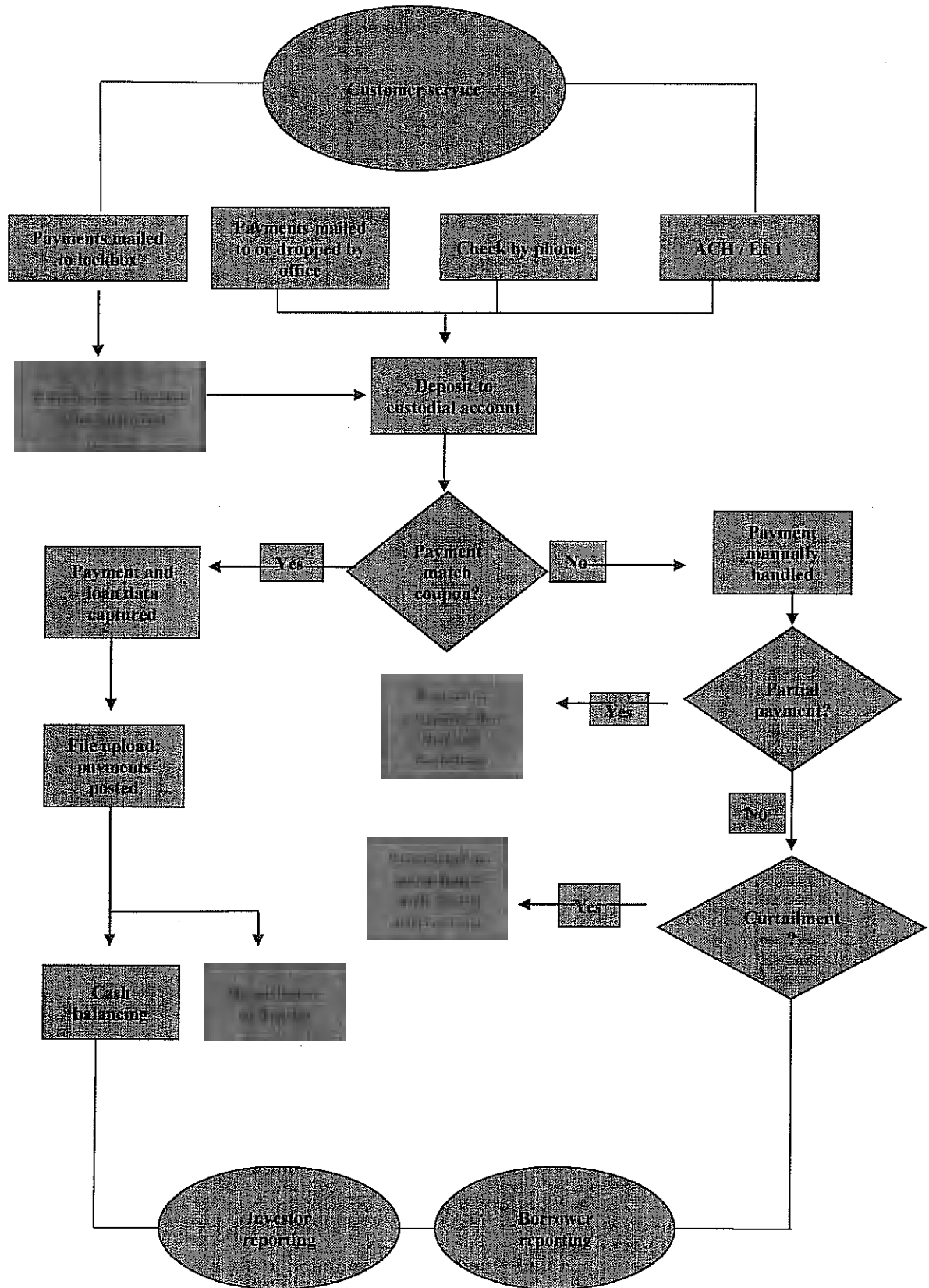
AmeriNat will ensure the proper balancing of cash received and transmitted and loan portfolio totals on a daily and monthly basis.

Flow charts illustrating the process to be followed for loan servicing activities, from initial boarding through ongoing payment collection and loan servicing payment processing are included on the following pages.

Loan Servicing Flowchart



Payment Processing Flowchart



- 4. Describe method/process of notifying borrower of payment due, be it monthly or annually as applicable. Indicate how this will be handled, i.e. via a coupon book, mailed statement, etc.**

Upon boarding of each new loan, AmeriNat will send to each borrower a welcome package. This welcome package contains a Notice of Servicing Transfer, Fair Debt Notice, ACH sign-up form and a supply of coupons. AmeriNat is also able to send monthly billing statements to each borrower with a current payment due. The method used to calculate and bill any applicable interest will be in strict adherence with the prescribed terms in the loan documents of each respective loan. Billing statements will include the last payment made, breakdown of last payment by principal and interest, past due amount, current payment amount, total payment due, current principal balance, and any other information required by law. A return self-addressed envelope can be included with each invoice.

- 5. Describe opportunity for borrowers to participate in automatic payment and/or direct pay options.**

AmeriNat has the ability to receive borrower payments through various delivery mechanisms including ACH debiting of borrower bank accounts, Check-by-Phone, on-line payments, and regular mail.

- 6. Describe process to collect and track loan payments received by bidder for remittance to Fresno County.**

The payment processing department balances and posts all payments received and also handles the proper resolution of exception items not posted through the lockbox provider. This department also oversees the handling and posting of pre-authorized ACH payments as well as check by phone payments. All payments and loan totals are balanced and reconciled on a daily basis. Receipts are posted in a batch system. As batches are closed and balanced, they are reviewed and authorized by appropriate supervisory personnel. They are maintained in the firm's accounting records for subsequent follow-up and for audit purposes. The accounting department, independent from all payment posting functions, conducts month end balancing and bank reconciliations for all custodial accounts. Reconciliations are reviewed and approved by the company's President as well as the CFO.

- 7. Describe process for remitting back to County loan payments received, including turnaround time. Expectation is by the 20th of the following month.**

Funds will be remitted to the County via ACH according to established timelines. Typically, funds are deposited into the County's account by the 7th business day of the month. The County will receive summary reports with each remittance. AmeriNat can accommodate most any investor remittance requirement, including actual/actual, scheduled/scheduled, and

scheduled/actual. We meet the reporting and remittance requirements of over 300 private investors as well as Fannie Mae and Federal Home Loan Bank.

8. **Describe collection activities for late payments. Loans with mandatory monthly payments are due on the 1st of the month with a 15 day grace period. A \$15 late fee is incurred on the 16th day. Describe current practice for attempting to bring delinquent payment loans current. It is presumed that loans with payments over 90 days delinquent will be referred to the County for action, please describe how that information is transmitted to the County.**

In accordance with respective state and federal statutes, AmeriNat will assess and retain late fees as called for in the original note documents, when payments are not made within the specified grace period.

Delinquency Management and Loss Mitigation:

Collections and loss mitigation activities are performed with a focus on curing delinquencies in the shortest time possible and with the most beneficial outcome for our clients. AmeriNat's delinquency monitoring and follow-up steps are based on uniformly accepted servicing standards, industry best practices, GSE standards including FHA reporting requirements, and our client's servicing manuals and program requirements. Procedures comply with pertinent regulations including the Consumer Financial Protection Bureau (CFPB), Equal Credit Opportunity Act (ECOA), the Fair Credit Reporting Act (FCRA) and the Fair Debt Collection Practices Act (FDCPA).

AmeriNat's collections activity starts as soon as the loan becomes delinquent. Early intervention techniques include late notices, followed by professional and courteous phone calls starting at 17 days delinquent and letters specifically designed for the different stages of delinquency, which are sent at 15, 30, 45, and 90 days past the payment due date. For single family loans, the 45 day letter will include the Consumer Financial Protection Bureau (CFPB) mandated notification informing the borrower of the available loss mitigation options. The 90 day letter will detail for the borrower possible escalated collection activity up to and including foreclosure. As per the County's instructions, any loan that is going to be foreclosed upon will be forwarded back to County.

The letters emphasize the seriousness of the situation, the potential for loss of the borrower's property, and demands immediate payment. Communication is made by both regular and certified mail as required. Extended calling times and auto-dialing technology is employed to assist in garnering a high level of contact with borrowers. Messages are left that meet the requirements of the FDCPA. Catch-up payments are encouraged, with attempts to match payments to a paycheck frequency. A system flag will trigger follow-up activity based upon borrower defined events (i.e. expected date of receipt of a tax refund). AmeriNat routinely partners with local borrower advocates and housing counseling agencies, or County staff as desired, and as best suits the circumstances.

All collection activity is captured and logged into the servicing system, including all points of contact with a delinquent borrower. These collection activities and notes are available to

clients via LoanLink, providing up-to-the-minute details of any particular loan relationship. AmeriNat follows a philosophy of providing one point of contact for borrowers. However, each member of the collection team has access to the collector's notes on the system, so that any one of them can take a call from the borrower and have immediate access to the entire servicing history, keeping the action with the borrower moving forward.

AmeriNat's collection staff members are trained in loss mitigation and are experienced with the numerous foreclosure prevention programs available to borrowers. Our collectors aggressively seek to identify borrowers for which modifications and other programs are the best alternatives. Depending on the type and stage of default, these modification programs can be used to lower delinquencies and reduce potential REO exposure for our clients. The same individuals making the collections calls will work with a borrower through loss mitigation. The borrower does not have to switch departments or begin working with a different individual. This one-stop relationship allows our collector to be intimately familiar with the borrower, and the borrower to have a higher level of trust – and therefore improved communication – with our collector. All work-out decisions are reviewed by a manager before they are implemented, ensuring that actions meet with the client's program requirements and goals and are appropriate for the particular borrower situation.

Throughout the collection and loss mitigation process AmeriNat complies with investor requirements and state and federal regulations. Our collectors aggressively seek to identify borrowers for which modifications and other programs are the best alternatives. Depending on the type and stage of default and the borrower's individual situation, these programs can be used to lower delinquencies and significantly reduce losses for our clients. The level of cooperation of the borrower, their desire to stay in the home, their financial situation, occupancy status, level of communication and cooperation and the reason for the delinquency are all considered in determining the best loss mitigation option. The same collectors who will have worked with a borrower since the beginning of the delinquency will evaluate loans that are strong prospects for loss mitigation alternatives.

9. Describe process to follow up on delinquent or canceled hazard insurance coverage. Describe current practice and processes, including follow up calls to borrower and/or insurance companies. Describe how this information is transmitted to the County.

AmeriNat notifies insurance agents in writing, at the time of transfer of a loan, that AmeriNat is monitoring premium payments and that it is to be made aware of delinquencies or cancellations. In accordance with respective regulations, upon notification of a policy cancellation from the borrower's insurance carrier, or when proof of a current policy is not received, AmeriNat will request lender-placed insurance from AmeriNat's insurance provider.

- 1) Coverage is instantly bound upon receipt of request with an effective date up to 90 days prior to receipt of our request.
- 2) AmeriNat's insurance provider or their carrier will send out three letters to the borrower over the course of 45 days. If the borrower provides proof of coverage, lender-placed coverage will be cancelled.

- 3) If the effective date of this coverage is the same and there is no lapse in coverage, there will be no premium charged. If there is a lapse in coverage, there may be a fee charged to the borrower's account for an earned premium.
- 4) If the borrower does not provide proof of coverage, AmeriNat's insurance provider will send an insurance policy and notification of premium to the borrower and bill AmeriNat for a one-year policy. If the borrower does not have an established impound account; AmeriNat will create one and disburse the premium from it. If the borrower fails to pay the premium before the end of the month, and the disbursed premium results in an escrow deficit balance, said balance will be accounted for in that month's reconciliation of the Client Escrow Deficit Account.
- 5) AmeriNat requests that the County reimburse it for the cost of such policies until recouped from the borrower. Any pay-off quotations or demands will reflect any impound deficit amounts (caused by the cost of any forced-place insurance or other advances) so that the borrower will still be held responsible for the cost even if they are unresponsive.
- 6) The one-year policy is cancelable at any time by either AmeriNat or the County.

10. Describe method for closing out of paid in full or uncollectible loans (County determines when a loan is deemed uncollectible). Once borrower's payment is received by vendor for loan pay off, time is of the essence for returning funds to County and for reconveyance of title. Describe process and turnaround time for returning funds, and for completing and recording reconveyance and close out of borrower's loan file.

AmeriNat will process payoffs received before 2:00 pm via wire or certified funds on the same day said funds are received. Based on the County's guidelines, payoff proceeds can either be remitted via ACH the following business day, or aggregated and included with the portfolio remittances for the respective month. Satisfactions and Reconveyances of Mortgage are performed in accordance with state statute and at the borrower's expense for any loan upon request and with the appropriate County approval as noted.

11. Describe method and timing for processing demands from escrow and title companies. Include description of method and timing for notifying County of demand requests (County must approve demands prior to vendor sending out).

AmeriNat will provide Loan Payoff Quotations at the borrower's expense for any loan at the County's request. Payoff quotes are forwarded to the client for approval before communication to the borrower. We process demands within 48-72 hours of receipt and fax them to the client if they need client approval. The faxes are sent as soon as the demand is processed.

- 12. If bidder will be a new vendor, please describe loan set up procedures for existing loans to be transferred from current loan servicer. Provide a description of the transition process, including time required. County's expectation is 20 days from contract award.**

Not applicable, as AmeriNat is the County's current loan servicing vendor.

- 13. In the event of contract termination or unexpected end of business, provide a narrative description of the vendor's ability and time needed to transition back to the County all of the County loans and related records; it is anticipated that this process would occur within 30 days of contract termination.**

In the event the County requires AmeriNat to transition loans back to the County or to another Servicer, AmeriNat will gather and package all loan files (hard-copy and/or electronic copy) for shipment in the time required. AmeriNat has an in-house IT department that is dedicated to the maintenance and enhancement of its proprietary loan servicing system. AmeriNat's IT department will work with the County's staff to electronically transmit servicing data in an agreed upon format.

- 14. During the contract period, all loan servicing records and accounts, including payment records and loan servicing history shall be available for inspection by the County, the State of California, if applicable, the Comptroller General of the United States, and the U.S. Department of Housing and Urban Development (HUD), or any of their duly authorized representatives, at all reasonable times. Please describe how this would be accomplished (including how timely records could be made available upon request), and include a statement of understanding of this requirement. Also describe how the County may access loan history (i.e. log of account activity and/or borrower communication) at any time for monitoring purposes.**

All records and accounts will be available for inspection by the County, the State of California, if applicable, the Comptroller General of the United States, and HUD or any of their duly authorized representatives, at all reasonable times. The County will have 24-hour electronic access to their loan information via AmeriNat's website at www.amerinatls.com. Continuous access to all loan account information is also provided during normal working hours through our toll free customer service telephone lines. In addition, we can provide soft copy account payment histories or other information through email.

- 15. Describe how bidder will provide required reporting to County of portfolio status reports, including delinquency reports, collection reports, etc. Include a description of how this would occur (i.e. reports provided or available online, etc.) Also include the timing of this information becoming available – it is expected that reports will be provided to the County on a monthly bases by the 15th of the following month.**

Investor reporting:

Permanent accounting records are maintained for each loan that adequately segregate ownership interest and funding source. Our loan accounting hierarchy is in a "client-group-project" format. Each client is assigned a client number. One client may have multiple "groups" of loans, which further have multiple "projects" within each group. Our clients distinguish their various departments and funding programs through this hierarchy. A client can have unlimited groups and projects. In addition, our system also accommodates and accounts for multiple funding sources on an individual loan.

Client/investor loan numbers are maintained along with the servicer's loan numbers. AmeriNat's reporting functionality is extensive and flexible. All of the loan data, including investor reports, account histories, collection comments, points of contact and dates there-of, loan criteria, borrower information, and balances, is available on *LoanLink*, accessed electronically through our website. This data can be viewed, printed, or downloaded into Excel for further manipulation.

Standard System Reports:

In addition to the standard reports listed below, which are generated for all clients monthly, we routinely write specific reports for clients. We have a report writing tool allowing virtually any data element tracked in our system to be reported on. Most of these reports can be quickly developed by our technology team. If report development takes additional staff research or programming time (beyond 3 hours), an additional charge may be made with prior notification to the client. Below is a list of AmeriNat's standard investor reports:

1. Portfolio Status Report: The report provides a complete accounting per loan of the total portfolio. The report identifies annual payments made, remaining balances, borrower's name and account number, original loan balance, interest rate, and loan term. For those deferred loans accruing interest, the report shows the ongoing accrued interest balance.
Frequency: Available on-line, one soft-copy report forwarded monthly to the County.
2. Current Month Reconciliation Report: This report serves as reconciliation for the loan payments remitted by borrowers.
Frequency: Available on-line, one soft-copy report, along with ACH remittance advice, forwarded to the County within ten working days of the close of the month.
3. Delinquent Aging Report: This report reflects delinquent accounts at the 30, 60, 90, and over 90 day levels. Borrower accounts moved into the forbearance or foreclosure process are designated.
Frequency: Available on-line, one soft-copy report forwarded monthly to the County.
4. Loan Amortization Schedule: The Loan Amortization Schedule shows the breakout of principal and interest paid for each payment during the term of the loan. This schedule is useful in determining how much principal is still owed and how much interest has been paid, at any period of time. This report can also be used in determining any balloon amounts due per the terms of the note.

Frequency: Available to the County upon request.

5. Escrow Analysis Report: For loans requiring monthly escrow/impound payments for taxes and/or insurance, AmeriNat conducts an annual escrow analysis to determine the proper monthly payment a given borrower needs to make in order to cover future tax and insurance payments. This report is especially useful when escrow requirements change significantly, e.g., a marked increase in property tax due to a reassessment or supplemental tax.

Frequency: Available to the County upon request.

6. Account Status Information Report: Provides borrower profile, loan term and current balance and status information for individual borrower accounts within the County's portfolio. This report includes a vast amount of information on any particular account within the County's portfolio.

Frequency: Available on-line.

7. Current Year Payment History: Details transactions on individual accounts for the current year's activity.

Frequency: Available on-line.

8. Payment History with Memos: AmeriNat uses a series of memo codes to help classify various borrower requests or processing activity. Activities subject to memo code classification include, for example, requests for duplicate coupon books, payoff requests, and other miscellaneous borrower questions. This report summarizes the loan history with identification of these types of activities along with associated comments by AmeriNat personnel.

Frequency: Available on-line.

9. Memo Listing Report: This report lists the various coded activities and their dates. It is particularly useful when researching activity on any particular borrower account.

Frequency: Available on-line.

16. Describe how the County will be notified of change of title, subordination requests, and loan payoffs, including how this would occur and turnaround time.

AmeriNat will provide notification to the County of any change of title of which it becomes aware. Below is our scope of work for processing subordinations. Subordination requests and requests for payoff are responded to within 48-72 hours.

Subordination Processing:

1. Subordination Request Package: The County, upon receiving a request for subordination, will refer the borrower to AmeriNat. AmeriNat will send a Subordination Request Package to the borrower or designee (lender or title). The County may require the borrower to pay the cost of the subordination processing at application or the County may pay the cost upon billing from AmeriNat.

2. Review Process: The purpose of the subordination review process is to determine that the new senior loan on the borrower's property will be made in conformance with the County's subordination policy and that the County's title position and security for its note is properly treated. Also, a review of income of the borrower may be performed if there are ongoing restrictions on income levels for the program participant. Documentation typically required for the review may include the following:
 - a. Letter from borrower with reasons for requesting subordination
 - b. FNMA 1003 application, or other applicable application, for new senior loan
 - c. Lender's approval of new senior loan
 - d. Title report
 - e. Appraisal
 - f. Closing instructions and estimated closing statement
 - g. Credit report (if required)
 - h. Tax return or other income documentation (if required)
 - i. Completed Subordination Agreement ready for signature
 - j. Request for Notice document on new senior loan(s)
3. Document Preparation: AmeriNat prepares (or reviews docs prepared by new senior lender):
 - a. Subordination Agreement
 - b. Request for Notice document on new senior loan(s)
 - c. Closing instructions
4. Recommendation: At the completion of the review, a report is forwarded to the County with a recommendation to either approve the request and to execute the Agreement, or to deny the request. The report will contain a recapitulation of pertinent information such as lowered monthly payment amounts, old and new LTV's, new and old senior debt loan amounts, etc.
5. Approval: Upon the County's approval of a request for subordination, the County will forward to borrower's lender or Title Company:
 - a. Completed and executed Subordination Agreement between the County and borrower
 - b. Closing instructions dictating terms / use of Subordination Agreement document
 - c. Request for Notice document for new senior loan

Loan Payoffs:

AmeriNat provides payoff quotes within 48-72 hours of request. Unless other arrangements have been agreed upon, payoff quotes are forwarded to the client for approval before communication to the borrower.

- 17. Describe process for issuing annual 1098 reporting forms reporting to borrowers, as applicable (send to borrowers with interest bearing loans for tax purposes), in compliance with Federal tax law.**

Per IRS regulations, AmeriNat submits required 1098 tax information for any borrowers paying interest on any loan. AmeriNat also completes and submits any required 1099 reporting.

- 18. Provide a comprehensive description of the processes that would be used to perform the required duties and reporting requirements, including a description of vendor capability to provide services requested in a timely and cost efficient manner.**

AmeriNat has the current capacity to continue to service the County's Loan Portfolio Management needs. Our systems and procedures have been designed from our experiences with other municipal programs. Our staff is already trained to deliver services that are unique to this environment. Our project team has the capacity to meet peak period program demands. Each individual has extensive experience in the loan servicing field. The services requested will be provided through the combined resources of our in-house servicing department and delinquency management department, which work hand in hand with IT to provide seamless service delivery.

Management Information System:

Since its inception, AmeriNat has serviced loans on a proprietary system called ALIAS. ALIAS was designed specifically for the types of loans generated by municipalities and housing finance agencies under affordable housing programs. AmeriNat has compared its system capabilities with off-the-shelf servicing packages, and has consistently found that the unique terms and structures inherent in these types of loans necessitate a custom-designed system in order for the necessary processes to be enacted in an accurate and efficient fashion. The system components, workflows and interfaces are designed around the requirements of the loan programs being serviced.

The loan database is accessible to our clients via *LoanLink*. *LoanLink* is AmeriNat's electronic access tool for both borrowers and clients. It is accessed via the internet, so mortgage loan holders can view their information 24/7/365 in the privacy of their own homes or offices. Their access is restricted with authentication procedures and passwords to ensure privacy of and protection over sensitive personal information. Direct links are provided from *LoanLink* and our website allowing borrowers to submit questions to us electronically without having to search around for contact information on a statement or other correspondence. Toll-free numbers are also provided.

LoanLink is a simple and straight-forward system, and borrowers do not need any training to access or use the tool. Our borrower services department is specifically designated to answer any questions that do arise. In addition, all staff members are proficient on *LoanLink* and can address calls or emailed questions as needed.

Our clients also access their loan portfolio information electronically via LoanLink. LoanLink is provided at no extra cost to our clients or their borrowers. Hard-copy paper month end investor reports are still sent out to clients, but are also available on LoanLink electronically. LoanLink offers our clients a secure, quick and convenient method of accessing all pertinent portfolio or loan level data, including borrower names and contact numbers, payment history, delinquency status, as well as portfolio wide reporting and statistics, and transactions. Clients are also able to download reports into excel for further manipulation and analysis.

AmeriNat recognizes the importance of protecting access to sensitive information stored in its systems and databases. Extensive procedures are in place to ensure the protection of this information, including:

- Password protected computer workstations and programs
- Password protection for critical data elements and processes in servicing system
- Securitized email systems, and secured entry to Local Area Network
- Firewall protection for access to Internet Services
- VPN and Firewall protected connectivity with remote users
- Data backup media stored in off-site locations in protected banking environment

Customer Service:

AmeriNat has six defined corporate-wide goals that align with the company's vision/mission/philosophy and values. The first of those goals is to ***"strengthen customer relationships."*** We are a "customer driven" service firm. Our staff and departments are organized to provide the highest level of attention to each customer and borrower as possible, and to reach a satisfactory outcome for each inquiry as soon as possible. Ongoing training is provided for staff members on customer service expectations and delivery standards as well as technical loan servicing requirements. The average staff to supervisor ratio in our customer service departments is currently 5:1. The highest staff to supervisor ratio that we would maintain in the customer service departments is 6:1.

Customer service and collection staff is available by telephone through our toll-free number at (800) 943-1988 between the hours of 8:00 AM and 8:00 PM Eastern Time, Monday through Friday. It is our firm's policy that all calls/emails are responded to within 24 hours.

Borrowers can also easily reach our representatives via email from our website. Our borrower services departments in each of our offices consist of experienced staff working side by side with other departments. In the rare occasion they cannot answer a question for a borrower directly, their supervisor, manager or a coworker are right there to assist them. AmeriNat treats all written inquiries as "Qualified Written Requests" under the Real Estate Settlement Procedures Act (RESPA).

All contact with the client and borrower is captured and notated in the loan servicing system and is available for inquiry or review. Tasks are logged, monitored and evaluated for completion. In addition, all phone calls are recorded. The recordings are reviewed by management for quality control and training purposed, and we will query the system for

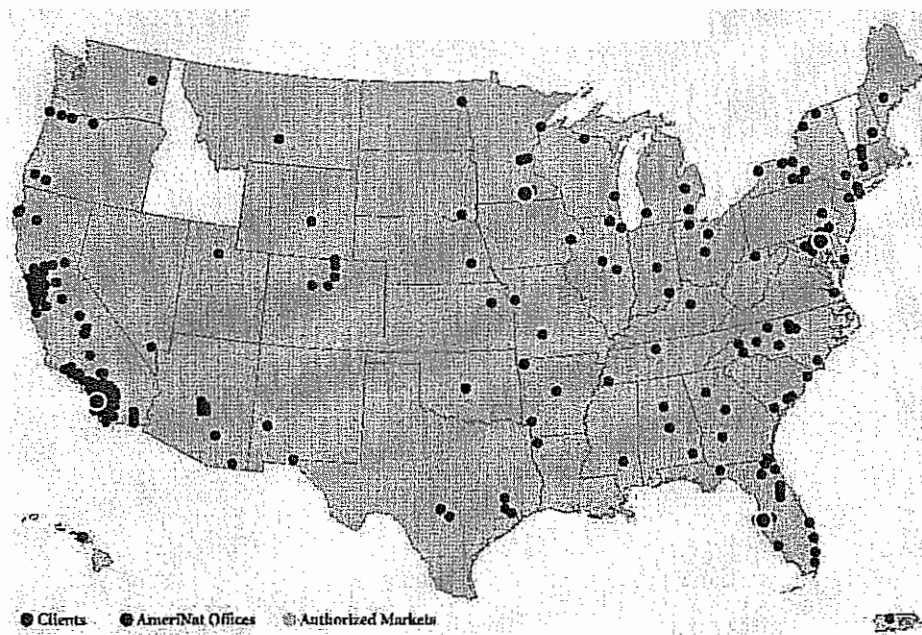
particular customer calls for clients who might wish to review a particular call or when we have reason to delve further into certain specifics.

Both the borrowers and the County will have 24-hour electronic access to their loan information via AmeriNat's Website at www.amerinatls.com. The website offers our clients a secure, quick and convenient method of accessing all pertinent loan level data, including borrower information, payment history, outstanding current principal balance, escrow account balance and disbursements, and form 1098 information. In addition, the County will be able to access the pertinent loan information online, including transaction history, payments posted, interest paid to date, next payment due date, late charge assessment dates and balances, and payoff amounts with per diem, among other items.

- 19. Describe the bidder's proven successful track record in providing the same loan servicing requirements as described herein. Include a list of other jurisdictions where Bidder has provided similar loan servicing services for similar governmental loan portfolios. Bidder is encouraged to include letters of support for similar services from satisfied clients.**

For over 40 years, AmeriNat has provided specialized financial services to government agencies through innovative ideas and approaches to program service delivery. AmeriNat manages over 70,000 loans, with unpaid principal balance in excess of \$7 billion in loans and related deposits for approximately 300 clients nationwide, most of which are generated under government sponsored affordable housing and economic development programs similar to the County's portfolio.

The locations in which AmeriNat either performs work or has offices are indicated on the following map:



AmeriNat offers a comprehensive menu of services that has been customized to meet the special requirements of its clients, including:

- ▶ **Single Family Loan Processing and Underwriting:** Includes preliminary application screening, analysis and review of submitted application packages for approval, Preliminary Risk Analysis generation and final underwriting based on the client's approved underwriting guidelines.
- ▶ **Multifamily Credit Underwriting:** Includes the full analysis and underwriting of multifamily developments, concluding on compliance with programmatic rule and LIHTC or other funding source requirements, analyses of sources and uses of funds and debt service coverage, market need, experience and qualifications of the development team, resources of partners involved, and financial strength and feasibility.
- ▶ **Single Family Loan Document Preparation:** Includes preparation of loan documents, execution of any and all security documentation, and the filing appropriate lien documentation on real and personal property.
- ▶ **Mortgage Compliance Services:** Combines the underwriting and document preparation services and also includes both early and final disclosure generation on first or junior lien 1-4 mortgage loans.
- ▶ **Loan Portfolio Management:** Covers the complete array of servicing responsibilities and disciplines including loan set-up, payment posting, tax and insurance monitoring and escrow accounts, escrow analyses, lender (servicer)-placed insurance, satisfactions and reconveyances, payoffs, 1098 reporting, credit bureau reporting, and investor reports as well as loan modification analyses.
- ▶ **Loss Mitigation:** The loss mitigation teams within AmeriNat are trained and experienced in working with under affordable housing and local development programs. They implement a robust collection calling program, assist with and refer to professional credit counselors, develop and implement loan modification programs, evaluate for forbearance programs, handle bankruptcies and foreclosure activities.
- ▶ **Property Conditions Profiles and Affidavit of Ownership:** This includes site visits to owner properties to assess the condition of the dwelling and detached structures and grounds and verification with property owners as to pertinent information from the program covenants including occupancy and ownership status.
- ▶ **Income Re-Verifications:** This includes the issuance and management of re-verifications to property owners to calculate continued compliance with program requirements. This tool can be used to re-verify income, debt levels, and other financial, operating or occupancy criteria.
- ▶ **Compliance Monitoring:** AmeriNat provides Davis Bacon and state prevailing wage compliance, LIHTC and state program compliance services, housing quality inspections, and financial monitoring services.

- ▶ **Financial Monitoring:** Analysis of financial statements for compliance with program or note criteria. This includes the determination and calculation of surplus cash flow requirements and related debt repayment schedules, sufficiency of operating deficit or shareholder deposits and guaranties, and compliance with other financial covenants.
- ▶ **PACE Assessment Administration:** AmeriNat has expanded its defined task/scope of service deliverables to include assessment administration. This entails a full suite of services for the PACE industry including database set-up, enrollment of payments, tracking and reporting, payoff calculations and transmission, client and customer service and program reporting.

20. The County must be provided with a copy of the vendor's annual Service Organization Controls (SOC) report each year for audit purposes. Bidder should include a copy of its most recent SOC report with this proposal.

AmeriNat has built a foundation that emphasizes sustainability, integrity of operations, and successful outcomes for its clients as well as the company's employees and shareholders. AmeriNat operates in a fiscally responsible manner across its operations and meets or exceeds the financial requirements of all of its regulatory agencies. The company has an extensive system of internal controls to ensure the accuracy and integrity of financial reporting.

AmeriNat has always operated within a heavily regulated industry and its infrastructure emphasizes compliance with all applicable local, state and federal laws and regulations. AmeriNat holds the appropriate licenses for every jurisdiction in which it operates. All employees operate under a Code of Ethics that has been established by AmeriNat's Board of Directors. The policy reinforces the high standards of conduct underlying all operations. A Compliance Committee composed of each senior line manager maintains a strong and consistent focus on ethical and regulatory compliant operations.

AmeriNat also adheres to a rigorous audit program that operates under the jurisdiction of an independent audit committee. Audits conducted include:

- Annual audited financial statement and report on internal controls
- Annual USAP audit
- Annual SSAE 16 audit
- Annual HUD audit
- Annual FNMA audit procedures
- Quarterly loan audits
- Annual to 18 month compliance audits over all pertinent federal regulations
- Annual to 18 month SAFE and BSA audits
- Outsourced internal audits based on annual risk assessment

Moreover, a broad package of insurance coverage is in place to provide protection for AmeriNat and its clients, including business liability of \$1,000,000 per occurrence and umbrella liability of \$5,000,000 per occurrence; a mortgage bond and related E&O in the amount of \$8,500,000; management liability insurance of \$5,000,000; workers compensation

of \$1,000,000 per accident; cyber liability insurance of \$3,000,000, along with automobile, personal property and other standard coverages.

A copy of AmeriNat's most recent Service Organization Controls report (SSAE 16) is included under the "Reports" section of this proposal.

21. Describe process and timing for transmittal of loan payment and payoff funds back to Fresno County, along with a description of accompanying required reports.

AmeriNat will remit loan payment funds and payoffs to the County monthly. The funds can be submitted via check or ACH deposit into the County's account monthly by the 10th business day of the following month.

22. Provide answers to the Questionnaire on the following page.

Attached.

QUESTIONNAIRE

Bidder to address each question. Circle your response or provide the requested narrative. Attach a separate sheet where more space is needed.

1. Is your company compliant with all Federal and State regulations? ☒ Yes No
2. Is your company Fair Debt Collection Practices Act compliant? ☒ Yes No
3. Is your company licensed in California? ☒ Yes No
4. What is your company's experience in the loan servicing industry?
0 - 1 year 1 - 3 years 3 - 5 years 5 - 10 years ☒ 10+ years
5. What is your company's experience in government-funded loan servicing and payment collections?
0 - 1 year 1 - 3 years 3 - 5 years 5 - 10 years ☒ 10+ years
6. Please provide a brief narrative describing your company's ethics policy and how is it implemented.

AmeriNat's code of ethics that has been established by the Board of Directors, as laid out in the firm's employment manual, is reflected in all of our business practices. Our code of ethics addresses the firm's compliance with all laws and regulations as well as our responsibility to shareholders, customers, employees and the communities we serve. A Compliance Committee composed of each senior line manager maintains a strong and consistent focus on ethical and regulatory compliant operations.

7. Describe your company's experience in servicing local governmental loans funded with CDBG, HOME and/or NSP, State Housing funds or other public funds. Provide a brief summary of number of clients, size of portfolio, type of government agency serviced, and types of government funded loans.

AmeriNat has been a leading servicer of specialty mortgages in the affordable housing industry since 1975. We service portfolios of both multifamily and single family loans with widely varying structures. These loans can be originated under multiple funding arenas including HOME, CDBG, NSP, tax-exempt bonds and other common federal and state sources and are insured by FHA, VA, RD, and private insurers. We currently sub-service a portfolio of approximately 70,000 loans with a principal balance in excess \$7.0 billion in loans.

8. Provide a summary of any and all litigation filed against your company in the past five years which is relative to the services your company provides in the regular course of business. The summary should include the nature of the litigation, a brief description of the case, the outcome or projected outcome, and the monetary amount involved.

AmeriNat has not had any settled or closed legal actions or claims against us, nor have we have any judgements filed against us in the last five years.

9. List the types of loan servicing in which your company specializes.

AmeriNat services portfolios of both multifamily and single family loans with widely varying structures. These loans can be originated under multiple funding arenas including CDBG, HOME, ARRA, NSP, HOPE, EECBG, tax-exempt bonds and other common federal and state sources and are insured by FHA, VA, RD, and private insurers. They include first and junior lien loans. We are also extensively familiar with the LIHTC program. AmeriNat is an approved servicer for:

- **FHA Title I and Title II**
- **Fannie Mae**
- **Federal Home Loan Bank**
- **Veterans Administration**
- **USDA-Guaranteed Rural Housing**

AmeriNat's mission is to *"Partner with others to increase the availability and quality of affordable housing and economic development opportunities nationwide"*. The sub-servicing expertise that we offer to state and local government entities is one of the key ways we meet our mission. Our extensive knowledge of federal, state, and local housing regulations and standards helps us to keep our clients abreast of changes in the industry that may affect them and their funding programs.

10. Provide your company's strategy for delinquent loan collection (provide any sample letters as applicable).

As mentioned scope item #8 earlier in this proposal, AmeriNat's collections activity starts as soon as the loan becomes delinquent. Early intervention techniques include late notices, followed by professional and courteous phone calls starting at 17 days delinquent and letters specifically designed for the different stages of delinquency, which are sent at 15, 30, 45, and 90 days past the payment due date. The 45 day letter will include the Consumer Financial Protection Bureau (CFPB) mandated notification informing the borrower of the available loss mitigation options. The 90 day letter will detail for the borrower possible escalated collection activity up to and including foreclosure. As per the County's instructions, any loan that is going to be foreclosed upon will be forwarded back to County.

The letters emphasize the seriousness of the situation, the potential for loss of the borrower's property, and demands immediate payment. Communication is made by

both regular and certified mail as required. Extended calling times and auto-dialing technology is employed to assist in garnering a high level of contact with borrowers. Messages are left that meet the requirements of the FDCPA.

11. What are your company's hours of operation?

Customer service and collection staff is available by telephone through our toll-free number at (800) 943-1988 between the hours of 8:00 AM and 8:00 PM Eastern Time, Monday through Friday.

12. Where is your company located? Are borrowers able to make payments in person and if so where? Where are mailed payments to be directed? If there are differing locations for differing services offered/provided, please describe.

AmeriNat's operations are located in Downey, CA, Albert Lea, MN, Baltimore, MD, and Tampa, FL. Borrowers are able to drop off payments at either of these locations. AmeriNat utilizes a lockbox service so that the County's funds are directly placed in a custodial account upon receipt. Use of the lockbox service increases timeliness in the posting of payments and offers a secure, segregated location for the processing of payments received.

13. What is the number of loan servicing staff your company employs?

Approximately 75 staff members are dedicated to our loan servicing operations.

14. What are your loan servicing staff's average experience?

We have found that our staff members' experience and level of personal care and concern for their clients and borrowers to be unmatched in this industry. The key staff listed earlier in this proposal have an average of 20 years of industry experience.

15. What is the number of accounts assigned per staff member?

AmeriNat's loans to FTE ratio is 556 as of the end of 2016. This is measured on a quarterly basis.

16. Briefly describe your company's policy for hiring, training, and monitoring/managing loan servicing staff.

AmeriNat maintains a highly trained and motivated group of professionals. We engage in continual training and industry education and stay abreast of the ever-changing regulations and practices in our industry. We have established stringent hiring criteria, background and screenings processes, and maintain a supervisor to staff ratio that ensures sufficient oversight, mentoring and feedback.

17. Describe how your company handles the exchange of information and data with its clients.

Authorized County staff can view, print, and download all of their portfolio data, at any time, via their own computer terminals utilizing AmeriNat's online banking product, LoanLink. Data reporting is customizable and can be reported in several ways, including program type, funding source and funding year. In addition, hard copy reports can be provided at no extra cost.

AmeriNat recognizes the importance of protecting access to sensitive information stored in its systems and databases. Extensive procedures are in place to ensure the protection of this information, including:

- Password protected computer workstations and programs
- Password protection for critical data elements and processes in servicing system
- Securitized email systems, and secured entry to Local Area Network
- Firewall protection for access to Internet Services
- VPN and Firewall protected connectivity with remote users
- Data backup media stored in off-site locations in protected banking environment

18. List reports you currently provide to clients, including the information contained and frequency.

A detailed list of AmeriNat's standard investor reports is located in scope item #15 above.

19. Is online reporting and/or information available?

☒ Yes No

a. Is this an additional cost?

Yes ☒ No

b. Is it secure?

☒ Yes No

20. Is there the ability to develop customized reports?

☒ Yes No

a. Is this an additional cost?

☒ Yes No

If report development takes additional staff research or programming time (beyond 3 hours or continuing requests), an additional charge may be made with prior notification to the client.

21. How will reports be provided (paper by mail, electronic by email, web site, etc.)?

Reports are available via LoanLink and are also delivered monthly via hard-copy mail or secure electronic delivery.

22. Does your company report to the client the following information that may be received from borrowers:

- a. Name and address changes? ☒ Yes No
- b. Bankruptcy filings? ☒ Yes No
- c. Death notices? ☒ Yes No

23. Briefly describe your company's quality assurance program.

We have a rigorous quality control program in place to ensure we adhere to best practices in the industry as well as regulatory requirements and client service goals. Our approach is centered on our clients and their goals related to affordable housing and economic development.

As a current client of AmeriNat, the County's loan portfolio is already on our system. On-boarding of any new loans is run through a rigorous audit and review system, and will be verified by our staff. This review looks for possible posting errors, verifies report accuracy and completion, and looks for any discrepancies that seem out of the ordinary. We will have frequent meetings between our staff and yours to ensure that the full reporting capabilities of our system are understood and utilized, and to quickly and completely address questions by either party.

Controls and safeguards are in place to ensure the protection of confidential information and compliance is maintained with applicable privacy regulations. We maintain an aggressive internal and external audit process and quality control program. A complete list of audits conducted is listed under scope item #20 above.

24. Describe your company's protocol for handling customer (borrower) inquiries and disputes.

Customer service personnel are responsible for the accurate processing of information and for the utmost in responsiveness to customers. Incoming service requests are routed to the first available service representative. Our staff are trained and experienced, and work side by side with their supervisors so they are able to resolve most of the questions and service needs on the first call/request from a customer. If the question needs to be researched, the customer is informed and a research request activity is started. If AmeriNat is unable to assist the borrower, we will notify the County's contract administrator within two business days. Each staff person has a supervisor who is immediately apprised of any problem that they were unable to successfully resolve. Their supervisor, in turn, has a manager that they can turn to for assistance.

In the rare case that a problem remains unsatisfactorily addressed after going through this chain of command, the President and/or the CEO take charge of the request. At that time, AmeriNat will remedy the situation immediately.

25. Describe how your company ensures accurate accounting for all of accounts assigned.

AmeriNat uses a proprietary loan accounting system called ALIAS. Please refer to the body of the proposal for information on boarding, servicing, updating and reporting of loan accounts.

26. Describe how you measure and maintain client satisfaction.

AmeriNat follows through on our commitment to excellence in client service through scheduled calls and visits to our clients, extensive reporting and feedback, client service surveys, and the establishment of two support centers – one for clients and one for borrowers – to assure that we provide the “hands on” approach our clients appreciate. We also have multiple clients who choose to conduct on-site audits of our operations and services.

27. Describe your client complaint resolution policy.

At AmeriNat we strive to provide you with the highest level of customer service to ensure you have a great experience with us. So your opinion really matters. We want to resolve all problems and/or complaints to your satisfaction quickly and effectively. If our service has not met your expectations or you have a concern with AmeriNat, we would like you to tell us.

Our staff are trained and experienced, and work side by side with their supervisors so they are able to resolve most problems and/or complaints on the first call/request from a customer. If the matter needs to be researched, the customer is informed of such and research activity is started. If AmeriNat is unable to resolve the matter within the timeframe committed, the customer is apprised of such and then the matter gets escalated. Each staff person has a supervisor who is also kept apprised of any problems that they were unable to successfully resolve. Their supervisor, in turn, has a manager that they can turn to for assistance.

In the rare case that a problem remains unsatisfactorily addressed after going through this chain of command, the President and/or the CEO take charge of the request. At that time, AmeriNat will remedy the situation immediately.

EXHIBIT B

Cost Proposal

Loan Portfolio Management:

Loan Set-up fee: \$45.00 per loan

The set-up fees will be charged for transferring/converting the initial loan portfolio as well as any loans thereafter that are boarded on our system. The set-up fees above are based on the County's performance of certain portfolio transfer activities, as established in the portfolio transfer timeline. Should additional boarding time, effort, and/or resources, be required to accomplish the portfolio transfer, the Extraordinary Services fee will apply, and the boarding date may be delayed.

Monthly Service Fee for Amortized Loans: \$9.93 per loan per month

Escrowing and/or monitoring of taxes and insurance are included with the service at no additional cost, except for a one-time tax service vendor fee if acceptable transferable tax contracts are not already in place.

Monthly Service Fee for Deferred Loans:

- i. Warehouse: \$1.95 per loan per month
- ii. Warehouse and monitor of taxes and/or insurance: \$2.50 per loan per month plus a one-time tax service vendor fee.
- iii. Warehouse and escrow of taxes and/or insurance: \$9.93 per loan per month plus a one-time tax service vendor fee.
- iv. Flat fee for receiving occasional payments on deferred loans: \$9.93 per payment

Loss Mitigation

An additional servicing fee of \$3.50 per loan per month shall be charged for all amortized loans in the portfolio. An additional \$.50 per loan per month shall be charged for credit reporting.

Tax Service Fee: If it is determined that Tax Service is needed, then a onetime charge of \$65.00 per loan upfront at time of servicing commencement (may be assessable to borrower) for all loan amounts up to \$500,000. For loan amounts over \$500,000 there is an additional charge of \$10 per \$100,000. Future charges may vary based on outside vendor pricing.

Please note: Any additional or supplemental charges that may be imposed by the respective taxing authority for procurement of duplicate tax bills will be directly passed through to the County.

Loan Transfer Fee: In the event the County requires AmeriNat to transition loans back to the County or to another servicer prior to the end of the initial contract term, AmeriNat will charge the County a loan transfer fee of \$75.00 per loan.

Per-Event Fees

Tickler Notifications: \$12.50 per notification

Extraordinary Account Research and/or Loan Reconstruction

AmeriNat will conduct ongoing routine maintenance and general customer service activities on borrower information and balances as part of its servicing duties at no additional cost.

Should the County request additional research to be conducted, or if the County engages AmeriNat to conduct a Loan Reconstruction Service on its portfolio, an extraordinary research fee of \$138.00 per hour will be charged, with a minimum of one hour per occurrence. Any such fee will be approved by the County before the research is conducted.

When research is conducted at the request of the County because of a discrepancy between the County's records and AmeriNat's records relating to the principal balance or other loan information, and the result of the research determines that the discrepancy was the result of activity being posted at the County and not forwarded to AmeriNat for updating of its records, the extraordinary research fee will be charged for the time spent on the research.

In the event the County requests additional services to be performed by AmeriNat not specifically set forth in the Scope of Services and AmeriNat agrees to perform the requested additional service(s), AmeriNat shall undertake such services(s) after receiving written authorization from County. Additional compensation for such service(s) shall be allowed as agreed upon in writing by both the County and AmeriNat.

EXHIBIT C

SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"

The definition above will be utilized for purposes of completing this disclosure form.

INSTRUCTIONS

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
 - a. The name of the agency/company with which the corporation has the transaction; and
 - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

(1) Company Board Member Information:			
Name:		Date:	
Job Title:			
(2) Company/Agency Name and Address:			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):			
(5) Authorized Signature			
Signature:		Date:	

EXHIBIT D

COUNTY OF FRESNO



REQUEST FOR PROPOSAL

NUMBER: 17-063

LOAN PORTFOLIO MANAGEMENT - COMMUNITY DEVELOPMENT

Issue Date: March 10, 2017

Closing Date: April 7, 2017 at 2:00 PM PST

Proposal will be considered LATE when the official Purchasing time clock reads 2:01 PM PST

Submit all Proposals to:

County of Fresno - Purchasing
4525 E. Hamilton Avenue, 2nd Floor
Fresno, CA 93702-4599

Questions must be submitted on the Bid Page at Public Purchase or contact Louann M. Jones at ljones@co.fresno.ca.us.

Undersigned agrees to furnish the commodity or service stipulated in the attached response at the prices and terms stated in this RFP.
Bid must be signed and dated by an authorized officer or employee.

COMPANY

ADDRESS

CITY

STATE

ZIP CODE

()

TELEPHONE NUMBER

E-MAIL ADDRESS

SIGNATURE (IN BLUE INK)

PRINT NAME

TITLE

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OVERVIEW

The County of Fresno, Department of Public Works and Planning, Community Development Division is requesting proposals from qualified vendors to provide comprehensive Loan Portfolio Management (Loan Servicing) services for the Department's Affordable Housing Programs (AHP) and commercial facade loan portfolio. Presently, the Division's loan portfolio is serviced by a third party loan servicing company, and every five years the County must re-bid this service for a new contract period. The Department is seeking proposals for a new 3-5 year contract period from qualified vendors whose function is loan servicing and who are primarily servicing loans for government funded housing and related loan programs.

The existing loan portfolio contains approximately 1050 government-funded loans of varying types. The loans are primarily funded with Federal funds but there are also some funded with State funds and some funded with multiple funding sources. The County seeks to contract with an agency experienced and equipped to handle the complex servicing of these loans which have governmental restrictions and regulations associated with the loan terms. The loan terms for the County's loans will vary and include deferred payments, mandatory payments, voluntary payments or annual residual receipt payments, depending on type of loan and borrower's income. The loans also contain varying interest rates from 0% to 3% that must be calculated, including allowing payments made to be credited first to interest and then to principal balance. The selected vendor must be able to correctly set up accounts for servicing each of the loans. Most of the loans have long loan terms, often 30 years or more, and are typically not amortized.

Loan security documents contain language for "events of default" that require immediate repayment of balance due. When the loan servicer becomes aware of such event, the County must be immediately notified. The County directly handles loans in default; however it relies on the servicer to relay such information that may trigger a default. Examples of events of default that may trigger repayment include, but are not limited to: Change in title; failure to occupy by the original borrower(s); non-payment of required monthly loan repayment; and failure to provide proof of hazard insurance.

The County's loan programs are ongoing; the successful bidder can expect that new loans will be added to the existing portfolio on an ongoing basis. The bidder should consider being able to handle the existing portfolio and an estimated 5-30 new loans annually.

It is the intent of this Request for Proposal (RFP) to secure a person or business who is experienced in loan servicing of housing and commercial facade projects that are financed with Federal and/or State funds. Sources of funds utilized may include federal Community Development Block Grant (CDBG) funds, HOME Investment Partnerships Grant (HOME) funds, Neighborhood Stabilization Program (NSP) funds, U.S. Department of Agriculture (USDA) Housing Preservation Grant (HPG) funds and/or State of California CalHome Program (CalHome) funds. The successful bidder will work in consultation with the County's Community Development Division to conduct the required services. It is the County's expectation to be under contract with the successful bidder by June, 2017.

KEY DATES

RFP Issue Date: **March 10, 2017**

Written Questions for RFP Due: **March 27, 2017 at Noon PST**
Questions must be submitted on the Bid Page at
publicpurchase.com.

RFP Closing Date: **April 7, 2017 at 2:00 P.M. PST**
County of Fresno - Purchasing
4525 E. Hamilton Avenue, 2nd Floor
Fresno, CA 93702

GENERAL REQUIREMENTS & CONDITIONS

TERM: It is County's intent to contract with the successful bidder for a term of three years with the option to renew for up to two additional one year periods based on mutual written consent.

The County reserves the right to terminate any resulting contract upon written notice.

AWARD: The award will be made to the vendor offering the proposal that is deemed the most advantageous to the County. The award will be determined by factors other than price alone. Past performance and references may factor into the tentative awarding of a contract. The County will be the sole judge in making such determination. The County reserves the right to reject any and all proposals. Award Notices are tentative. Acceptance of an offer made in response to this RFP shall occur only upon execution of an agreement by both parties or issuance of a valid purchase order by Purchasing. After award, all bids shall be open to public inspection. The County assumes no responsibility for the confidentiality of information offered in a bid.

Award may require approval by the County of Fresno – Board of Supervisors.

PARTICIPATION: The bidder may agree to extend the terms of the resulting contract to other political subdivisions, municipalities, and tax-supported agencies. Such participating governmental bodies may make purchases in their own name, make payment directly to the bidder, and be liable directly to the bidder, holding the County of Fresno harmless.

CONFIDENTIALITY: Services performed by the bidder shall be in strict conformance with all applicable Federal, State of California and/or local laws and regulations relating to confidentiality, including but not limited to: California Civil Code, California Welfare and Institutions Code, Health and Safety Code, California Code of Regulations, Code of Federal Regulations.

The bidder shall submit to County's monitoring of said compliance.

The bidder may be a business associate of County, as that term is defined in the "Privacy Rule" enacted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). As a HIPAA Business Associate, vendor may use or disclose protected health information ("PHI") to perform functions, activities or services for or on behalf of County, as specified by the County, provided that such use or disclosure shall not violate HIPAA and its implementing regulations. The uses and disclosures of PHI may not be more expansive than those applicable to County, as the "Covered Entity" under HIPAA's Privacy Rule, except as authorized for management, administrative or legal responsibilities of the Business Associate.

The bidder shall not use or further disclose PHI other than as permitted or required by the County, or as required by law without written notice to the County. The bidder shall ensure that any agent, including any subcontractor, to which vendor provides PHI received from, or created or received by the vendor on behalf of County, shall comply with the same restrictions and conditions with respect to such information.

SB854: California law (SB854) now requires public works contractors subject to prevailing wage requirements to register annually with the Department of Industrial Relations (DIR) and pay an annual fee. The County of Fresno will not accept public works bids from contractors and subcontractors who have not registered with the DIR and have not met this requirement. This requirement, found in Labor Code Sections 1725.5 and 1770-1777.7, now applies to all public works projects. Refer to <http://www.dir.ca.gov/PublicWorks/PublicWorksSB854.html> for more information.

Contractor must submit verification of DIR registration with their proposal, if applicable. Failure to submit verification may result in their proposal being considered non-responsive.

SELF-DEALING TRANSACTION DISCLOSURE: Contractor agrees that when operating as a corporation (a for-profit or non-profit corporation), or if during the term of the agreement the Contractor changes its status to operate as a corporation, members of the Contractor's Board of Directors shall disclose any self-dealing transactions that they are a party to while Contractor is providing goods or performing services under the agreement with the County. A self-dealing transaction shall mean a transaction to which the Contractor is a party and in which one or more of its directors has a material financial interest. Members of the Board of

Directors shall disclose any self-dealing transactions that they are a party to by completing and signing a Fresno County Self-Dealing Transaction Disclosure Form and submitting it to the County prior to commencing with the self-dealing transaction or immediately thereafter.

LOCAL VENDOR PREFERENCE: The Local Vendor Preference does not apply to this Request for Proposal.

CONFLICT OF INTEREST: The County shall not contract with, and shall reject any bid or proposal submitted by the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or public agencies for which the Board of Supervisors is the governing body.
2. Profit-making firms or businesses in which employees described in Subsection (1) serve as officers, principals, partners or major shareholders.
3. Persons who, within the immediately preceding twelve (12) months, came within the provisions of Subsection (1), and who were employees in positions of substantial responsibility in the area of service to be performed by the contract, or participated in any way in developing the contract or its service specifications.
4. Profit-making firms or businesses in which the former employees described in Subsection (3) serve as officers, principals, partners or major shareholders.
5. No County employee, whose position in the County enables him to influence the selection of a contractor for this RFP, or any competing RFP, and no spouse or economic dependent of such employee, shall be employees in any capacity by a bidder, or have any other direct or indirect financial interest in the selection of a contractor.
6. In addition, no County employee will be employed by the selected vendor to fulfill the vendor's contractual obligations to the County.

DISCLOSURE: The bidder is required to disclose if, within the three-year period preceding the proposal, their owners, officers, corporate managers and partners have been convicted of, or had a civil judgment rendered against them for:

- fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
- violation of a federal or state antitrust statute;
- embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
- false statements or receipt of stolen property

Within a three-year period preceding their proposal, they have had a public transaction (federal, state, or local) terminated for cause or default.

ORDINANCE 3.08.130 – POST-SEPARATION EMPLOYMENT PROHIBITED: No officer or employee of the County who separates from County service shall for a period of one year after separation enter into any employment, contract, or other compensation arrangement with any County consultant, vendor, or other County provider of goods, materials, or services, where the officer or employee participated in any part of the decision making process that led to the County relationship with the consultant, vendor or other County provider of goods, materials or services.

Pursuant to Government Code section 25132(a), a violation of the ordinance may be enjoined by an injunction in a civil lawsuit, or prosecuted as a criminal misdemeanor.

TIE BIDS: In the event of a tie score between two or more proposals at the completion of the evaluation process, the evaluation team will break the tie by re-evaluating the proposals and coming to a consensus on which proposal to award. Additional information or interviews may be requested from bidders with the tied proposals.

DATA SECURITY: Individuals and/or agencies that enter into a contractual relationship with the County for the purpose of providing services must employ adequate controls and data security measures, both internally

and externally to ensure and protect the confidential information and/or data provided to contractor by the County, preventing the potential loss, misappropriation or inadvertent access, viewing, use or disclosure of County data including sensitive or personal client information; abuse of County resources; and/or disruption to County operations.

Individuals and/or agencies may not connect to or use County networks/systems via personally owned mobile, wireless or handheld devices unless authorized by County for telecommuting purposes and provide a secure connection; up to date virus protection and mobile devices must have the remote wipe feature enabled. Computers or computer peripherals including mobile storage devices may not be used (County or Contractor device) or brought in for use into the County's system(s) without prior authorization from County's Chief Information Officer and/or designee(s).

No storage of County's private, confidential or sensitive data on any hard-disk drive, portable storage device or remote storage installation unless encrypted according to advance encryption standards (AES of 128 bit or higher).

The County will immediately be notified of any violations, breaches or potential breaches of security related to County's confidential information, data and/or data processing equipment which stores or processes County data, internally or externally.

County shall provide oversight to Contractor's response to all incidents arising from a possible breach of security related to County's confidential client information. Contractor will be responsible to issue any notification to affected individuals as required by law or as deemed necessary by County in its sole discretion. Contractor will be responsible for all costs incurred as a result of providing the required notification.

AUDITS & RETENTION: The Contractor shall maintain in good and legible condition all books, documents, papers, data files and other records related to its performance under this contract. Such records shall be complete and available to Fresno County, the State of California, the federal government or their duly authorized representatives for the purpose of audit, examination, or copying during the term of the contract and for a period of at least three (3) years following the County's final payment under the contract or until conclusion of any pending matter (e.g., litigation or audit), whichever is later. Such records must be retained in the manner described above until all pending matters are closed.

E-PAYMENT OPTIONS: The County of Fresno provides an E-pay Program which involves payment of invoices by a secure Visa account number assigned to the supplier after award of contract. Notification of payments and required invoice information are issued to the supplier's designated Accounts Receivable contact by e-mail remittance advice at time of payment. To learn more about the benefits of an E-pay Program, how it works, and obtain answers to frequently asked questions, click or copy and paste the following URL into your browser: www.bankofamerica.com/epayablesvendors or call Fresno County Accounts Payable, 559-600-3609.

DISPUTE RESOLUTION: The ensuing contract shall be governed by the laws of the State of California. Any claim which cannot be amicably settled without court action will be litigated in the U.S. District Court for the Eastern District of California in Fresno, California or in a state court for Fresno County.

ASSIGNMENTS: The ensuing proposed contract will provide that the vendor may not assign any payment or portions of payments without prior written consent of the County of Fresno.

ASSURANCES: Any contract awarded under this RFP must be carried out in full compliance with The Civil Rights Act of 1964, The Americans With Disabilities Act of 1990, their subsequent amendments, and any and all other laws protecting the rights of individuals and agencies. The County of Fresno has a zero tolerance for discrimination, implied or expressed, and wants to ensure that policy continues under this RFP. The contractor must also guarantee that services, or workmanship, provided will be performed in compliance with all applicable local, state, or federal laws and regulations pertinent to the types of services, or project, of the nature required under this RFP. In addition, the contractor may be required to provide evidence substantiating that their employees have the necessary skills and training to perform the required services or work.

LICENSES AND CERTIFICATIONS: Any license(s) and/or certification(s) required in this RFP must be obtained by the bidder prior to submitting a proposal and must be active and in good standing. Proposals submitted without the proper license(s) and/or certification(s) will be deemed non-responsive.

PUBLIC CONTRACT CODE SECTION 7028.15: Where the State of California requires a Contractor's license; it is a misdemeanor for any person to submit a bid unless specifically exempted.

INSURANCE REQUIREMENTS

Without limiting the County's right to obtain indemnification from contractor or any third parties, contractor, at its sole expense, shall maintain in full force and effect, the following insurance policies or a program of self-insurance, including but not limited to, an insurance pooling arrangement or Joint Powers Agreement (JPA) throughout the term of the Agreement:

- A. Commercial General Liability: Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000). This policy shall be issued on a per occurrence basis. COUNTY may require specific coverages including completed operations, products liability, contractual liability, Explosion-Collapse-Underground, fire legal liability or any other liability insurance deemed necessary because of the nature of this contract.
- B. Automobile Liability: Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per person, Five Hundred Thousand Dollars (\$500,000.00) per accident and for property damages of not less than Fifty Thousand Dollars (\$50,000.00), or such coverage with a combined single limit of Five Hundred Thousand Dollars (\$500,000.00). Coverage should include owned and non-owned vehicles used in connection with this Agreement.
- C. Professional Liability: If CONTRACTOR employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00) annual aggregate.

This coverage shall be issued on a per claim basis. Contractor agrees that it shall maintain, at its sole expense, in full force and effect for a period of three years following the termination of this Agreement, one or more policies of professional liability insurance with limits of coverage as specified herein.
- D. Worker's Compensation: A policy of Worker's Compensation insurance as may be required by the California Labor Code.

Contractor shall obtain endorsements to the Commercial General Liability insurance naming the County of Fresno, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by County, its officers, agents and employees shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to County.

Within thirty (30) days from the date Contractor executes this Agreement, Contractor shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to the **County of Fresno, Community Development, 2220 Tulare Street, 6th Floor, Fresno, CA 93721**, stating that such insurance coverage have been obtained and are in full force; that the County of Fresno, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names the County of Fresno, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by County, its officers, agents and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to County.

In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, the County may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.

BID INSTRUCTIONS

- All prices and notations must be typed or written in ink.
- Unless otherwise noted, prices shall remain firm for 180 days after the closing date of the bid.
- Proposals must be submitted on the forms provided in this RFP.
- Proposals must be submitted in a sealed package, with the bid number, closing date, and time on the outside of the package.
- Bidders must submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified. Additional material may be submitted with the proposal as attachments. Any additional descriptive material that is used in support of any information in your proposal must be referenced by the appropriate paragraph(s) and page number(s).
- Bidders must submit **one (1) original and four (4) copies** of your proposal no later than the proposal closing date and time as stated on the front of this document to County of Fresno Purchasing. Each copy to be identical to the original, include all supporting documentation (e.g. literature, brochures, reports, schedules etc.). The cover page of each proposal is to be appropriately marked "Original" or "Copy".
- County of Fresno will not be held liable for any costs incurred by vendors in responding to this RFP.
- Bidders are instructed not to submit confidential, proprietary and related information within the request for proposal. If you are submitting trade secrets, it must be submitted in a separate binder clearly marked "TRADE SECRETS", see Trade Secret Acknowledgement section.
- If a bidder finds any discrepancies or has any questions, submit all inquiries to the Bid Page at Public Purchase or contact Louann M. Jones at ljones@co.fresno.ca.us. Any change in the RFP will be made only by written addendum issued by the County. The County will not be responsible for any other explanations or interpretations.
- Failure to respond to all questions or not supply the requested information could result in rejection of your proposal. Merely offering to meet the specifications is insufficient and will not be accepted. Each bidder shall submit a complete proposal with all information requested.
- Proposals received after the closing date and time will NOT be considered.
- Proposals will be evaluated by an evaluation team led by County Purchasing and may consist of County of Fresno department staff, community representatives from advisory boards, and other members as appropriate. If a proposal does not respond adequately to the RFP or the bidder is deemed unsuitable or incapable of delivering services, the proposal may be eliminated from consideration. Upon review and evaluation, the evaluation team will make the final recommendation to the County department.
- Appeals must be submitted in writing within seven (7) working days after notification of proposed recommendations for award. A "Notice of Award" is not an indication of County's acceptance of an offer made in response to this RFP. Appeals shall be submitted to County of Fresno Purchasing, 4525 E. Hamilton Avenue 2nd Floor, Fresno, California 93702-4599 **and** in Word format to gcornuelle@co.fresno.ca.us. Appeals should address only areas regarding RFP contradictions, procurement errors, proposal rating discrepancies, legality of procurement context, conflict of interest, and inappropriate or unfair competitive procurement grievance regarding the RFP process.

Purchasing will provide a written response to the complainant within seven (7) working days unless the complainant is notified more time is required. If the appealing bidder is not satisfied with the decision of Purchasing, he/she shall have the right to appeal to the County Administrative Office within seven (7) working days after Purchasing's notification; if the appealing bidder is not satisfied with CAO's decision, the final appeal is with the Board of Supervisors. Please contact Purchasing if the appeal will be going to the Board of Supervisors.

- All communication regarding this RFP shall be directed to an authorized representative of County Purchasing. The specific Analyst managing this RFP is identified on the cover page, along with his or her contact information, and he or she should be the primary point of contact for discussions or information pertaining to the RFP. Contact with any other County representative, including elected officials, for the purpose of discussing this RFP, its content, or any other issue concerning it, is prohibited unless authorized by Purchasing. Violation of this clause, by the vendor having unauthorized contact (verbally or in writing) with such other County representatives, may constitute grounds for rejection by Purchasing of the vendor's quotation.

The above stated restriction on vendor contact with County representatives shall apply until the County has awarded a purchase order or contract to a vendor or vendors, except as follows. First, in the event that a vendor initiates a formal appeal against the RFP, such vendor may contact the Purchasing Manager who manages that appeal as outlined in the County's established appeal procedures. All such contact must be in accordance with the sequence set forth under the appeal procedures. Second, in the event a public hearing is scheduled before the Board of Supervisors to hear testimony prior to its approval of a purchase order or contract, any vendor may address the Board at scheduled Board Meeting.

SCOPE OF WORK

The County of Fresno, Department of Public Works and Planning, Community Development Division, is requesting proposals from qualified vendors to provide comprehensive Loan Portfolio Management (Loan Servicing) services.

The bidder must provide a brief synopsis of an understanding of the County's needs and how the bidder plans to provide the required services. The bidder must clearly identify the tasks to be provided in order to successfully provide ongoing service for the term of the contract. Any and all assumptions or constraints should be identified. In addition, the bidder must provide a transition plan with sufficient detail to demonstrate ability to accurately and efficiently transfer the existing loan portfolio, including timeline for completion of transition, and the process and method/procedure for remitting collected loan payment funds back to County. A list of the functions required (which must be addressed in the proposal) is included as Exhibit 1 to the above Overview; and a list of the procedural requirements (which must be addressed in the proposal) is included as Exhibit 2 to the above Overview.

The Bidder's proposal should also include an overview of the business and services offered by the agency that include the following:

- Briefly describe history and purpose of agency;
- Describe agency's policy regarding affirmative action;
- Describe agency's Customer Service policy and policy/procedures for Dispute Resolution;
- Indicate if agency/vendor is a small business and/or minority or woman-owned;
- Describe background in loan servicing and successful experience/track record;
- Describe experience managing CDBG, HOME, CalHome, HPG, and/or NSP loans on behalf of local government entities;
- Describe experience managing a loan portfolio and size of portfolio;
- State overall qualifications, duties, and availability of staff to be assigned to this contract.

HISTORY/BACKGROUND

Since 1976, the County of Fresno (County) has received ongoing Federal grant funds from the Department of Housing and Urban Development (HUD) to fund housing, community and economic development activities. The County receives Community Development Block Grant (CDBG) and HOME Investment Partnerships Grant (HOME) funds each year to promote affordable housing and sustainable communities. In addition, the County periodically is awarded other housing funds from the State of California Housing and Community Development (HCD) and the U.S. Department of Agriculture (USDA). Each funding source has its own set of regulatory requirements, which are included in the respective loan documents.

The County has used these funds to provide zero and low interest loans to assist eligible homeowners, homebuyers, landlords, and developers. All program beneficiaries are low- and moderate-income persons. Currently, the County's loan portfolio consists of an estimated 1050 outstanding loans totaling approximately \$43,000,000.

The County's loan portfolio continually changes with new loans being added and others being deleted when paid in full. Loan amounts and terms vary based on program parameters at the time the loan was originated. The majority of loans are funded primarily from CDBG or HOME funds. The County's Federal Neighborhood Stabilization Program (NSP) has been completed, but many of these loans are still active and require servicing.

The County's loan portfolio is comprised of deferred and non-deferred payment loans and positive cash flow loans (residual receipts). The non-deferred loans vary in interest rates and terms. Some loans accrue interest while others do not. Monthly payments, or other scheduled periodic payments, are required from each non-deferred loan. The deferred loans do not require monthly payments; however, borrowers have the option of making voluntary payments that are to be credited first to any accrued interest. The loan maturity dates vary based on the security documents for each loan (promissory note and deed of trust), and most

loans are not amortized and a good number do not have set maturity dates. Some loans or portions of loans may be forgiven based on the term of the agreement. Cash flow loan payments are due annually, and the amounts are provided to the vendor by County staff (vendor does not calculate amounts). No loans in the portfolio have impound/escrow accounts.

The following is a list of the County's current portfolio of deferred, non-deferred and cash flow loans. Since the portfolio is constantly changing, this is only an estimate of the anticipated loan portfolio the County expects to have at the time of contract commencement.

Type of Loan	Number of Accounts
Deferred	907
Non-Deferred	136
Positive Cash Flow	11

The County's Affordable Housing Programs (AHP) loans consist of Housing Assistance Rehabilitation Program (HARP) Loans, Down Payment/Homebuyer Assistance Program (DAP/HAP) loans, Rental Rehabilitation Program loans (RRP), State CalHome Mortgage Assistance Program (MAP) and Rehabilitation Assistance Program (RAP) loans, USDA Housing Preservation Grant (HPG) loans, Neighborhood Stabilization Program (NSP) loans, and Affordable Housing Development (AHD/CHDO) loans. Loans funded under these programs have differing terms as the programs have evolved and changed. Some of the housing loans have multiple funding sources with differing but compatible terms.

The County's Facade And Commercial Enhancement (FACE) Program loans funded facade improvements to small rural community businesses. The FACE loans have loan terms different from most of the housing loans in that part of the loan may be forgiven after a specified time period, based upon factors determined by the County staff. The County loan portfolio currently includes 10 FACE loans.

All loan programs are administered directly by the County's Community Development Division. Loan application to close of escrow is administered and will be continue to be a function of the Division.

The Department's current portfolio consists of the following:

TYPE OF LOAN & NUMBER OF LOANS

Housing Assistance Rehabilitation Program (HARP) loans: 446

Downpayment/Homebuyer Assistance Program (DAP/HAP) loans: 437

Neighborhood Stabilization Program (NSP) loans: 88

Rental Rehabilitation Program (RRP) loans: 10

Facade & Commercial Enhancement Program (FACE) loans: 10

Affordable Housing Development (AHD/CHDO) loans: 14

State CalHome Mortgage Assistance Program (MAP) loans: 43

State CalHome Rehabilitation Assistance Program (RAP) loans: 8

For further information as necessary, a brief description of the various programs currently administered by the County's Community Development Division is available on the County website at:

<http://www.co.fresno.ca.us/departmentspage.aspx?id=6004>

CURRENT SERVICE PROVIDER & SERVICES:

The loans are currently serviced by a contracted third party loan servicing company. EXHIBITS 1 and 2 contain the specific information regarding the Loan Servicing functions and procedures required. The County's Community Development Division currently handles other aspects of portfolio management not included in these descriptions, such as handling loans in default.

LOAN SERVICING PROPOSAL

Bidder must describe how its loan portfolio management and servicing system can meet or be modified to best serve the County's loan servicing needs. Bidder should indicate if services will be provided electronically through the use of a software program or a web based application. If bidder will use a purchased software program, name the software program. All proposals must meet the requirements as set forth in the Scope of Work and will be evaluated for program design, cost, bidder expertise, and turnaround time for transition and delivery of services. The expectation for the County is to have Board approval of the recommended vendor by June, 2017. The current contract expires on June 4, 2017, and the County anticipates a smooth transition should a different vendor be selected.

Interested bidders should submit proposals for portfolio management/loan servicing services to be performed for the Community Development loan portfolio. The services required will include but are not limited to the items listed in the Scope of Work in this section and also as provided in EXHIBITS 1 and 2. The services to be provided shall be clearly identified in the Proposal as: Loan Servicing Services for the County of Fresno Affordable Housing and Commercial Façade Loan Programs.

Loan Servicing Services will be required on an ongoing basis. Bidders must submit prices for each task/service to be provided. The successful Bidder will be responsible for servicing each loan in accordance with the Promissory Note and Deed of Trust, including collection of loan repayments, and creating and managing a file on each loan in a secure and safe location. Services shall include the following activities expected to be provided by the selected bidder. The proposal should include the below information.

1. Describe the procedures for loan set up, (i.e., account set up), including issuance of a loan number unique to each loan, and establishment of payment schedule. Bidder must describe procedure and turnaround time from loan assignment (County to notice servicer by electronic mail) to first noticed billing to borrower for first monthly payment. See EXHIBIT 2 for detail.
2. Describe bidder's loan management and record keeping systems, including whether and which electronic reports are accessible to the County online. Include pertinent sample reports to address reporting requirements of the County's Loan Servicing Services.
3. Describe the process for payment processing and recording.
4. Describe method/process of notifying borrower of payment due, be it monthly or annually as applicable. Indicate how this will be handled, i.e. via a coupon book, mailed statement, etc.
5. Describe opportunity for borrowers to participate in automatic payment and/or direct pay options.
6. Describe process to collect and track loan payments received by bidder for remittance to Fresno County.
7. Describe process for remitting back to County loan payments received, including turnaround time. Expectation is by the 20th of the following month.
8. Describe collection activities for late payments. Loans with mandatory monthly payments are due on the 1st of the month with a 15 day grace period. A \$15 late fee is incurred on the 16th day. Describe current practice for attempting to bring delinquent payment loans current. It is presumed that loans with payments over 90 days delinquent will be referred to the County for action, please describe how that information is transmitted to the County.

9. Describe process to follow up on delinquent or canceled hazard insurance coverage. Describe current practice and processes, including follow up calls to borrower and/or insurance companies. Describe how this information is transmitted to the County.
10. Describe method for closing out of paid in full or uncollectible loans (County determines when a loan is deemed uncollectible). Once borrower's payment is received by vendor for loan pay off, time is of the essence for returning funds to County and for reconveyance of title. Describe process and turnaround time for returning funds, and for completing and recording reconveyance and close out of borrower's loan file.
11. Describe method and timing for processing demands from escrow and title companies. Include description of method and timing for notifying County of demand requests (County must approve demands prior to vendor sending out).
12. If bidder will be a new vendor, please describe loan set up procedures for existing loans to be transferred from current loan servicer. Provide a description of the transition process, including time required. County's expectation is 20 days from contract award.
13. In the event of contract termination or unexpected end of business, provide a narrative description of the vendor's ability and time needed to transition back to the County all of the County loans and related records; it is anticipated that this process would occur within 30 days of contract termination.
14. During the contract period, all loan servicing records and accounts, including payment records and loan servicing history shall be available for inspection by the County, the State of California, if applicable, the Comptroller General of the United States, and the U.S. Department of Housing and Urban Development (HUD), or any of their duly authorized representatives, at all reasonable times. Please describe how this would be accomplished (including how timely records could be made available upon request), and include a statement of understanding of this requirement. Also describe how the County may access loan history (i.e. log of account activity and/or borrower communication) at any time for monitoring purposes.
15. Describe how bidder will provide required reporting to County of portfolio status reports, including delinquency reports, collection reports, etc. Include a description of how this would occur (i.e. reports provided or available online, etc.) Also include the timing of this information becoming available – it is expected that reports will be provided to the County on a monthly bases by the 15th of the following month.
16. Describe how the County will be notified of change of title, subordination requests, and loan payoffs, including how this would occur and turnaround time.
17. Describe process for issuing annual 1098 reporting forms reporting to borrowers, as applicable (send to borrowers with interest bearing loans for tax purposes), in compliance with Federal tax law.
18. Provide a comprehensive description of the processes that would be used to perform the required duties and reporting requirements, including a description of vendor capability to provide services requested in a timely and cost efficient manner.
19. Describe the bidder's proven successful track record in providing the same loan servicing requirements as described herein. Include a list of other jurisdictions where Bidder has provided similar loan servicing services for similar governmental loan portfolios. Bidder is encouraged to include letters of support for similar services from satisfied clients.
20. The County must be provided with a copy of the vendor's annual Service Organization Controls (SOC) report each year for audit purposes. Bidder should include a copy of its most recent SOC report with this proposal.
21. Describe process and timing for transmittal of loan payment and payoff funds back to Fresno County, along with a description of accompanying required reports.
22. Provide answers to the Questionnaire on the following page.

QUESTIONNAIRE

Bidder to address each question. Circle your response or provide the requested narrative. Attach a separate sheet where more space is needed.

1. Is your company compliant with all Federal and State regulations? Yes No
2. Is your company Fair Debt Collection Practices Act compliant? Yes No
3. Is your company licensed in California? Yes No
4. What is your company's experience in the loan servicing industry?
 0 - 1 year 1 - 3 years 3 - 5 years 5 - 10 years 10+ years
5. What is your company's experience in government-funded loan servicing and payment collections?
 0 - 1 year 1 - 3 years 3 - 5 years 5 - 10 years 10+ years
6. Please provide a brief narrative describing your company's ethics policy and how it is implemented.
7. Describe your company's experience in servicing local governmental loans funded with CDBG, HOME and/or NSP, State Housing funds or other public funds. Provide a brief summary of number of clients, size of portfolio, type of government agency serviced, and types of government funded loans.
8. Provide a summary of any and all litigation filed against your company in the past five years which is relative to the services your company provides in the regular course of business. The summary should include the nature of the litigation, a brief description of the case, the outcome or projected outcome, and the monetary amount involved.
9. List the types of loan servicing in which your company specializes.
10. Provide your company's strategy for delinquent loan collection (provide any sample letters as applicable).
11. What are your company's hours of operation?
12. Where is your company located? Are borrowers able to make payments in person and if so where? Where are mailed payments to be directed? If there are differing locations for differing services offered/provided, please describe.
13. What is the number of loan servicing staff your company employs?
14. What are your loan servicing staff's average experience?
15. What is the number of accounts assigned per staff member?
16. Briefly describe your company's policy for hiring, training, and monitoring/managing loan servicing staff.
17. Describe how your company handles the exchange of information and data with its clients.
18. List reports you currently provide to clients, including the information contained and frequency.
19. Is online reporting and/or information available? Yes No
 - a. Is this an additional cost? Yes No
 - b. Is it secure? Yes No
20. Is there the ability to develop customized reports? Yes No
 - a. Is this an additional cost? Yes No
21. How will reports be provided (paper by mail, electronic by email, web site, etc.)?

22. Does your company report to the client the following information that may be received from borrowers:
- | | | |
|------------------------------|-----|----|
| a. Name and address changes? | Yes | No |
| b. Bankruptcy filings? | Yes | No |
| c. Death notices? | Yes | No |
23. Briefly describe your company's quality assurance program.
24. Describe your company's protocol for handling customer (borrower) inquiries and disputes.
25. Describe how your company ensures accurate accounting for all of accounts assigned.
26. Describe how you measure and maintain client satisfaction.
27. Describe your client complaint resolution policy.

COST PROPOSAL

Provide a detailed list of the costs associated with the completion of each of the deliverables cited.

Costs should separately indicate both one time and ongoing fees. Costs for services should be itemized by task function as the Bidder Charges, so that the County can calculate how much the servicing will cost based upon the amount of services required in each category.

Please fully describe each task when providing the related cost, so that it is clear what all is entailed in each fee. For example, the fee for loan set up would likely include the assignment of the loan number, issuance of payment coupons, and set up of the loan in the vendor's loan payment system. There may be a separate monthly servicing fee, that would include processing payments and handling other issues associated with loan servicing requirements.

It is essential that all responding Bidders include and clearly detail all costs, payment schedules, categorization of line items, and/or other related costs associated with the proposal. All proposals must have a descriptive narrative providing a thorough and clear explanation of all itemized costs.

Include questionnaire responses in your proposal.

AWARD CRITERIA

COST

- A. As submitted under the "COST PROPOSAL" section. Cost categories must include, but are not limited to the following:
- Monthly servicing fees (for deferred payment and for non-deferred (mandatory payment) loans, and for annual cash flow payment loans)
 - Fees charged for payments on deferred loans: One-time set up fee for new loans; Lien satisfaction/payoff fees (including reconveyance fees and document preparation fees charged to borrowers); Loan assumption set-up fees; and any fees associated with the transfer of the existing portfolio to a new servicer.
- B. This criterion encompasses the proposed fees and costs in comparison to independent estimates and those of other proposals. However, a lower cost will not solely determine the awarding of the contract.

CAPABILITY AND QUALIFICATIONS

- A. Evaluation as a Firm: Includes responsiveness to RFP requirements, stated background, experience and knowledge of requested services, and qualifications of management and key staff, and extent to which proposer met and exceeded Scope of Work description to achieve stated objectives.
- B. Ability to Perform Required Services: Includes a review of the proposer's established loan portfolio management services, and adequacy of staff and equipment/systems necessary to handle the County's loan portfolio.
- C. Proven Track Record: The amount of demonstrated experience in providing the services desired in a similar jurisdiction and similar loan portfolio as Fresno County.

MANAGEMENT PLAN

- A. Determination if the organizational plan and management structure and service procedures are adequate and appropriate for effectively and efficiently managing Fresno County's diverse loan portfolio.
- B. Explain your capability for borrowers to make automatic payments – by telephone and/or by direct bank payment (ACH transactions).

PROPOSAL CONTENT REQUIREMENTS

It is important that the vendor submit a proposal in accordance with the format and instructions provided under this section. Doing so will facilitate the evaluation of the proposal. It will limit the possibility of a poor rating due to the omission or miscategorization of the requested information. Responding in the requested format will enhance the evaluation team's item by item comparison of each proposal item. The vendor's proposal may be placed at a disadvantage if submitted in a format other than that identified below.

Bidders are requested to submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified. Each page should be numbered.

Each binder is to be clearly marked on the cover with the proposal name, number, closing date, "Original" or "Copy", and bidder's name.

Merely offering to meet the specifications is insufficient and will not be accepted. Each bidder shall submit a complete proposal with all information requested. Supportive material may be attached as appendices. All pages, including the appendices, must be numbered.

Vendors are instructed not to submit confidential, proprietary and related information within the request for proposal. If you are submitting trade secrets, it must be submitted in a separate binder clearly marked "TRADE SECRETS", see Trade Secret Acknowledgement section.

The content and sequence of the proposals will be as follows:

- I. RFP PAGE 1 AND ADDENDUM PAGE 1 (IF APPLICABLE) completed and signed by participating individual or agency.
- II. PROPOSAL IDENTIFICATION SHEET (as provided)
- III. COVER LETTER: A one-page cover letter and introduction including the company name and address of the bidder and the name, address and telephone number of the person or persons to be used for contact and who will be authorized to make representations for the bidder.
 - A. Whether the bidder is an individual, partnership or corporation shall also be stated. It will be signed by the individual, partner, or an officer or agent of the corporation authorized to bind the corporation, depending upon the legal nature of the bidder. A corporation submitting a proposal may be required before the contract is finally awarded to furnish a certificate as to its corporate existence, and satisfactory evidence as to the officer or officers authorized to execute the contract on behalf of the corporation.
- IV. TABLE OF CONTENTS
- V. CONFLICT OF INTEREST STATEMENT: The Contractor may become involved in situations where conflict of interest could occur due to individual or organizational activities that occur within the County. In this section the bidder should address the potential, if any, for conflict of interest and indicate plans, if applicable, to address potential conflict of interest. This section will be reviewed by County Counsel for compliance with conflict of interest as part of the review process. The Contractor shall comply with all Federal, State and local conflict of interest laws, statutes and regulations.
- VI. TRADE SECRET, PARTICIPATION ACKNOWLEDGMENT AND REFERENCES:
 - A. Sign where required.
- VII. CERTIFICATION - DISCLOSURE - CRIMINAL HISTORY & CIVIL ACTIONS
- VIII. SELF-DEALING TRANSACTION DISCLOSURE (Financial)

IX. EXCEPTIONS: This portion of the proposal will note any exceptions to the requirements and conditions taken by the bidder. If exceptions are not noted, the County will assume that the bidder's proposals meet those requirements. The exceptions shall be noted as follows:

- A. Exceptions to General Conditions.
- B. Exceptions to General Requirements.
- C. Exceptions to Specific Terms and Conditions.
- D. Exceptions to Scope of Work.
- E. Exceptions to Proposal Content Requirements.
- F. Exceptions to any other part of this RFP.

X. VENDOR COMPANY DATA: This section should include:

- A. A narrative which demonstrates the vendor's basic familiarity or experience with problems associated with this service/project.
- B. Descriptions of any similar or related contracts under which the bidder has provided services.
- C. Descriptions of the qualifications of the individual(s) providing the services.
- D. Any material (including letters of support or endorsement) indicative of the bidder's capability.
- E. A brief description of the bidder's current operations, and ability to provide the services.
- F. Copies of the audited Financial Statements for the last three (3) years for the agency or program that will be providing the service(s) proposed. If audited statements are not available, complied or reviewed statements will be accepted with copies of three years of corresponding federal tax returns. This information is to be provided after the RFP closes, if requested. **Do not provide with your proposal.**
- G. Describe all contracts that have been terminated within the last five (5) years:
 - 1. Agency contract with
 - 2. Date of original contract
 - 3. Reason for termination
 - 4. Contact person and telephone number for agency
- H. Describe all lawsuit(s) or legal action(s) that are currently pending; and any lawsuit(s) or legal action(s) that have been resolved within the last five (5) years:
 - 1. Location filed, name of court and docket number
 - 2. Nature of the lawsuit or legal action
- I. Describe any payment problems that you have had with the County within the past three (3) years:
 - 1. Funding source
 - 2. Date(s) and amount(s)
 - 3. Resolution
 - 4. Impact to financial viability of organization.

XI. SCOPE OF WORK:

- A. Bidders are to use this section to describe the essence of their proposal.
- B. This section should be formatted as follows:
 - 1. A general discussion of your understanding of the project, the Scope of Work proposed and a summary of the features of your proposal.
 - 2. A detailed description of your proposal as it relates to each item listed under the "Scope of Work" section of this RFP. Bidder's response should be stated in the same order as are the "Scope of Work" items. Each description should begin with a restatement of the "Scope of Work" item that it is addressing. Bidders must explain their approach and method of satisfying each of the listed items.
- C. When reports or other documentation are to be a part of the proposal a sample of each must be submitted. Reports should be referenced in this section and submitted in a separate section entitled "REPORTS."
- D. A complete description of any alternative solutions or approaches to accomplishing the desired results.

XII. COST PROPOSAL: Quotations may be prepared in any manner to best demonstrate the worthiness of your proposal and as instructed. Include details and rates/fees for all services, materials, equipment, etc. to be provided or optional under the proposal.

TRADE SECRET ACKNOWLEDGEMENT

All proposals received by the County shall be considered "Public Record" as defined by Section 6252 of the California Government Code. This definition reads as follows:

"...Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics "Public records" in the custody of, or maintained by, the Governor's office means any writing prepared on or after January 6, 1975."

Each proposal submitted is Public record and is therefore subject to inspection by the public per Section 6253 of the California Government Code. This section states that "every person has a right to inspect any public record".

The County will not exclude any proposal or portion of a proposal from treatment as a public record except in the instance that it is submitted as a trade secret as defined by the California Government Code. Information submitted as proprietary, confidential or under any other such terms that might suggest restricted public access will not be excluded from treatment as public record.

"Trade secrets" as defined by Section 6254.7 of the California Government Code are deemed not to be public record. This section defines trade secrets as:

"...Trade secrets," as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data or compilation of information that is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it."

Information identified by bidder as "trade secret" will be reviewed by County of Fresno's legal counsel to determine conformance or non-conformance to this definition. Such material should be submitted in a separate binder marked "Trade Secret". Examples of material not considered to be trade secrets are pricing, cover letter, promotional materials, etc.

INFORMATION THAT IS PROPERLY IDENTIFIED AS TRADE SECRET AND CONFORMS TO THE ABOVE DEFINITION WILL NOT BECOME PUBLIC RECORD. COUNTY WILL SAFEGUARD THIS INFORMATION IN AN APPROPRIATE MANNER.

Information identified by bidder as trade secret and determined not to be in conformance with the California Government Code definition shall be excluded from the proposal. Such information will be returned to the bidder at bidder's expense upon written request.

Trade secrets must be submitted in a separate binder that is plainly marked "Trade Secrets."

The County shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof, if they are not (1) submitted in a separate binder that is plainly marked "Trade Secret" on the outside; and (2) if disclosure is required or allowed under the provision of law or by order of Court.

Vendors are advised that the County does not wish to receive trade secrets and that vendors are not to supply trade secrets unless they are absolutely necessary.

TRADE SECRET ACKNOWLEDGEMENT

I have read and understand the above "Trade Secret Acknowledgement."

I understand that the County of Fresno has no responsibility for protecting information submitted as a trade secret if it is not delivered in a separate binder plainly marked "Trade Secret." I also understand that all information my company submits, except for that information submitted in a separate binder plainly marked "Trade Secret," are public records subject to inspection by the public. This is true no matter whether my company identified the information as proprietary, confidential or under any other such terms that might suggest restricted public access.

Enter company name on appropriate line:

(Company Name)

Has submitted information identified as Trade Secrets in a separate marked binder.**

(Company Name)

Has not submitted information identified as Trade Secrets. Information submitted as proprietary confidential or under any other such terms that might suggest restricted public access will not be excluded from treatment as public record.

ACKNOWLEDGED BY:

_____ Signature (in Blue Ink)	()	_____ Telephone
_____ Print Name and Title		_____ Date
_____ Address		

_____ City	_____ State	_____ Zip

**Bidders brief statement that clearly sets out the reasons for confidentiality in conforming with the California Government Code definition.

DISCLOSURE – CRIMINAL HISTORY & CIVIL ACTIONS

In their proposal, the bidder is required to disclose if any of the following conditions apply to them, their owners, officers, corporate managers and partners (hereinafter collectively referred to as "Bidder"):

1. Within the three-year period preceding the proposal, they have been convicted of, or had a civil judgment rendered against them for:
 - a. fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction;
 - b. violation of a federal or state antitrust statute;
 - c. embezzlement, theft, forgery, bribery, falsification, or destruction of records; or
 - d. false statements or receipt of stolen property
2. Within a three-year period preceding their proposal, they have had a public transaction (federal, state, or local) terminated for cause or default.

Disclosure of the above information will not automatically eliminate a Bidder from consideration. The information will be considered as part of the determination of whether to award the contract and any additional information or explanation that a Bidder elects to submit with the disclosed information will be considered. If it is later determined that the Bidder failed to disclose required information, any contract awarded to such Bidder may be immediately voided and terminated for material failure to comply with the terms and conditions of the award.

Any Bidder who is awarded a contract must sign an appropriate Certification Regarding Debarment, Suspension, and Other Responsibility Matters. Additionally, the Bidder awarded the contract must immediately advise the County in writing if, during the term of the agreement: (1) Bidder becomes suspended, debarred, excluded or ineligible for participation in federal or state funded programs or from receiving federal funds as listed in the excluded parties list system (<http://www.epls.gov>); or (2) any of the above listed conditions become applicable to Bidder. The Bidder will indemnify, defend and hold the County harmless for any loss or damage resulting from a conviction, debarment, exclusion, ineligibility or other matter listed in the signed Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it, its owners, officers, corporate managers and partners:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature: _____
(in blue ink)

Date: _____

(Printed Name & Title)

(Name of Agency or Company)

REFERENCE LIST

VENDOR MUST COMPLETE AND RETURN WITH REQUEST FOR PROPOSAL

Firm: _____

Provide a list of at least five (5) customers for whom you have recently provided similar services. Be sure to include all requested information.

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Project Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Project Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Project Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Project Date: _____
 Service Provided: _____

Reference Name: _____ Contact: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: (_____) _____ Project Date: _____
 Service Provided: _____

Failure to provide a list of at least five (5) customers may be cause for rejection of this RFP.

PARTICIPATION

The County of Fresno is a member of the Central Valley Purchasing Group. This group consists of Fresno, Kern, Kings, and Tulare Counties and all governmental, tax supported agencies within these counties.

Whenever possible, these and other tax supported agencies co-op (piggyback) on contracts put in place by one of the other agencies.

Any agency choosing to avail itself of this opportunity, will make purchases in their own name, make payment directly to the contractor, be liable to the contractor and vice versa, per the terms of the original contract, all the while holding the County of Fresno harmless. If awarded this contract, please indicate whether you would extend the same terms and conditions to all tax supported agencies within this group as you are proposing to extend to Fresno County.

*** Note: This form/information is not rated or ranked for evaluation purposes.**

☐ Yes, we will extend contract terms and conditions to all qualified agencies within the Central Valley Purchasing Group and other tax supported agencies.

☐ No, we will not extend contract terms to any agency other than the County of Fresno.

(Authorized Signature in Blue Ink)

Title

CHECK LIST

This Checklist is provided to assist vendors in the preparation of their RFP response. Included are important requirements the bidder is responsible to submit with the RFP package in order to make the RFP compliant.

Check off each of the following (if applicable):

1. _____ All signatures must be in **blue ink**.
2. _____ Signed cover page of Request for Proposal (RFP).
3. _____ Check <https://www2.co.fresno.ca.us/0440/Bids/BidsHome.aspx> for any Addenda.
4. _____ Signed cover page of each Addendum.
5. _____ **One (1) original plus four (4) copies** of the RFP have been provided.
6. _____ Provide a Conflict of Interest Statement.
7. _____ Signed *Trade Secret Form* as provided with this RFP (Confidential/Trade Secret Information, if provided, must be in a separate binder).
8. _____ Signed *Criminal History Disclosure Form* as provided with this RFP.
9. _____ Signed *Participation Form* as provided with this RFP.
10. _____ The completed *Reference List* as provided with this RFP.
11. _____ Verification of Department of Industrial Relations Contractor Registration.
12. _____ Verification of Contractor's License and the Department of Consumer Affairs – Contractors' State License Board
13. _____ Indicate all of bidder exceptions to the County's requirements, conditions and specifications as stated within this RFP.
14. _____ Lastly, on the **LOWER LEFT HAND CORNER** of the sealed package transmitting your bid include the following information:

County of Fresno RFP No. <u>17-063</u>
Closing Date: <u>April 7, 2017</u>
Closing Time: <u>2:00 P.M.</u>
Commodity or Service: <u>Loan Portfolio Management - Community Development</u>

Return Checklist with your RFP response

EXHIBITS

- 1. Loan Servicing Functions**
- 2. Loan Servicing Procedures**

EXHIBIT 1

LOAN SERVICING FUNCTIONS

Establish loan payment accounts
Issue unique borrower loan number/identification
Set up payment schedule
Send out monthly payment statements (monthly payment clients)
Send out annual payment/balance statements (deferred and non-deferred loan clients)
Collect and record payments (including interest where applicable)
Provide Report with breakdown of payments received by funding source
Monitor payments and send out late notices
Send CD notification of non-payment
Monitor mandated insurance
Send CD notification of expired insurance and failure to provide insurance
Send CD notification if insurance received is not in the name of Borrower(s)
Send CD notification of change of property title and/or death of Borrower
Send CD notification of address changes/mail returns
Collect on delinquent loans (payments up to 90 days outstanding)
Send CD notification of outstanding payments due for more than 90 days
Respond to requests for payoff quotes/demands (CD approval for all payoff demands)
Notify CD of subordination requests
Send CD notification of loan payoffs
Provide payoff amount information upon request
Provide reports of loan portfolio status by funding source and loan type upon request
Release liens/perform reconveyance for paid-off loans
Close out accounts when paid in full or when CD designates as uncollectible
Send annual 1098 reporting form to borrowers with interest bearing loans for tax purposes

EXHIBIT 2

LOAN SERVICING PROCEDURES

1. County requests loan set up – Loan set up materials are scanned and e-mailed to loan servicer.

Items sent to Servicer include:

Promissory Note

Deed of Trust

Loan Agreement

Truth in Lending Form

Hazard Insurance Policy

Title Insurance Policy

Notice of Completion (for loans involving construction)

Loan Servicer confirms receipt of loan set up within two (2) days of request being electronically transmitted. Note: Loan Servicer receives copies of documents only and is not custodian of original loan documents.

2. Loan Servicer completes loan set up within 15 days of receipt. Loan servicer notifies the County when loan set up is complete and provides the assigned loan number. The County reviews the loan set up detail to ensure accuracy.
3. Loan Modification/Adjustment – After the loan is set up, the County may provide the servicer with a note modification or a memo directing that the loan terms and/or loan balance be modified or adjusted. Loan Servicer updates loan information within three (3) days of receipt of loan modification/adjustment request and confirms to County that modification/adjustment is completed.
4. Loan Payment Servicing – Loan Servicer shall provide borrower with instructions, by mail, on the process and timely submission of loan payments, within 20 days of receipt of the request for loan set up. Payment methods can include coupons, monthly billing or other payment method acceptable to the County. Loan Servicer must be able to enroll borrowers in an automatic payment method, as the County prefers this payment method whenever possible.
5. Loan Payoff – Loan Servicer will be responsible for responding to payoff requests. Servicer will provide payoff amounts and collect payoff funds, including collecting any processing, reconveyance and recording fees. Loan Servicer will be responsible to prepare and record all reconveyance documents. Loan Servicer will provide to the County the payoff funds collected along with a report showing the account is paid in full and has been closed.
6. All payments received from borrowers must be remitted to the County monthly. This must be accompanied by a report which lists the payments received, by loan and by funding source, so that the County can properly account for the funds received per grant regulations and deposit them appropriately.

EXHIBIT D
COUNTY OF FRESNO



ADDENDUM NUMBER: ONE (1)
RFP NUMBER: 17-063
**LOAN PORTFOLIO MANAGEMENT - COMMUNITY
DEVELOPMENT**

Issue Date: March 27, 2017

Closing Date: April 7, 2017 at 2:00 PM PST

Proposals will be considered LATE when the official Purchasing time clock reads 2:01 P.M.

Submit all Proposals to:
County of Fresno - Purchasing
4525 E. Hamilton Avenue, 2nd Floor
Fresno, CA 93702-4599

Questions must be submitted on the Bid Page at Public Purchase or contact **Louann M. Jones** at (559) 600-7118.

NOTE THE FOLLOWING ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS OF REQUEST FOR PROPOSAL NUMBER: 17-063 AND INCLUDE THEM IN YOUR RESPONSE. PLEASE SIGN IN BLUE INK AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.

➤ **Questions and Answers**

ACKNOWLEDGMENT OF ADDENDUM NUMBER ONE (1) TO RFP 17-063

COMPANY NAME: _____
(PRINT)

SIGNATURE (In Blue Ink): _____

NAME & TITLE: _____
(PRINT)

Purchasing Use: LMJ:st

ORG/Requisition: 55122008 / 5511700016

QUESTIONS AND ANSWERS

- Q1. Can you please advise the name of the current subservicer and the core servicing system being used by this company.**
- A1. Current provider is Amerinational Community Services, dba AmeriNat. Fresno County does not have nor require info on the provider's 'core servicing system'.*
- Q2. Can you please confirm if the "commercial facade" projects are secured by commercial mortgages.**
- A2. No. Those loans are secured by the same promissory note and deed of trust placing a lien on the property as all other loans.*
- Q3. Are these loans to be subserviced under the name of the County (i.e. private-branded) or under the name of the subservicer.**
- A3. Name of County.*
- Q4. Would you be able to provide sample notes for any non-standard loan program, e.g. the interest only, voluntary payments, etc.**
- A4. Sample notes for those type loans are unavailable, as the County's current loan documents require mandatory set monthly payments. The County does not have any 'Interest Only' loans. If necessary, the County could redact personal info from an old note that doesn't requirement monthly payments and provide a redacted copy. However, voluntary payments are just that – the note simply does not require monthly payments, but the borrower should be able to submit a payment at any time he/she desires, and the servicer must be able to process that payment. It is up to the servicer to explain how they will accomplish servicing all types of loans.*
- Q5. Can you provide additional details on the payment options or requirements for the non-deferred loans.**
- A5. There are no payment 'options' for non-deferred loans. The payments are governed by the note, which requires monthly payments at a stated amount (servicer does not calculate monthly payment amounts). Payments are due on the 1st of each month, and if not made by the 15th there is a \$15 late fee incurred. All loans with interest have payments credited first to any outstanding interest.*
- Q6. Is the subservicer to issue annual coupon books or monthly billing statements to your borrowers.**
- A6. The servicer must have a system that allows for monthly payments. It is up to the proposed servicer to explain how they will meet this requirement.*

Q7. The RFP specifies that no loans have escrow or impound accounts. Please confirm that no escrow monitoring is required. Under number 9 (page 15), for example, the RFP specifies that the subservicer is to follow-up on delinquent or cancelled hazard insurance - is this to be done without a hazard escrow account?

A7. There are no escrow or impound accounts, as stated in the RFP. The servicer must confirm that the borrower maintains the required hazard insurance. The industry standard is for the servicer to obtain and maintain confirmation from each borrower's insurance provider. The service provider must notify the County whenever there is a lapse/cancellation of insurance. The County handles it from that point. It is up to the proposed servicer to explain how they will accomplish this.

Q8. Please provide delinquency data for 30 days, 60 days, 90 days, 120 days+, bankruptcies and foreclosures.

A8. Currently, 1 loan is 30 days delinquent; 3 loans are 60 days delinquent; and 1 loan is 120 days delinquent. There are no current bankruptcies. The servicer is not responsible for handling foreclosures.

Q9. Regarding the loan file to be created and maintained, please confirm if the subservicer will be expected to retain original loan and other documents (vs. images).

A9. The servicer is not provided and does not maintain any original documents, as stated in the RFP.

Q10. Under item number 12 (page 15) the RFP specifies a conversion timeframe of 20 days for the existing portfolio of approximately 1,000 loans. Please confirm if this a required timeframe as the normal schedule for portfolio conversions including all development, programming, testing and final conversion is 120 days.

A10. It is the County's preference that the conversion timeframe be 20 days. The proposed servicer should state their proposed timeframe.

Q11. Under the Proposal Content Requirements section of the County's RFP, there is a document we are to provide under section II of our proposal, titled, "Proposal Identification Sheet (as provided)". This form does not appear to be included in the County's RFP document; therefore, please provide.

A11. This is just a cover sheet you create that includes the RFP identifying information, e.g. RFP #, RFP name, your name, contact information, etc.