



Board Agenda Item 51

DATE: July 8, 2025

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Retroactive Amendment I to Agreement with AmeriNational Community Services LLC, for Loan Portfolio Management Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute retroactive Amendment I to Agreement No. 22-433 with AmeriNational Community Services LLC, with no change in term effective November 1, 2022, to October 31, 2027, not to exceed five years, which includes a three-year base contract and two optional one-year extensions, and increasing the maximum compensation by \$168,328, from \$375,000 to \$543,328.

There is no Net County Cost associated with the recommended action, which will approve a retroactive amendment increasing the maximum compensation allowed under the agreement to more accurately reflect the annual costs for portfolio management and loan servicing and permit the payment of all loan servicing fees and loan transfer fees for the transfer of portfolio management and loan servicing to a new vendor upon the termination or expiration of the agreement. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If the recommended action is not approved, the current agreement does not provide sufficient annual maximum compensation for services provided. As a result, the County has not been able to fully reimburse the vendor for expenses incurred in prior years which exceeded the annual maximum compensation.

RETROACTIVE AGREEMENT:

The recommended amendment is retroactive to the effective date of the agreement, November 1, 2022, to allow for payment of fees incurred during the first two years of the agreement which exceeded the \$75,000 annual maximum compensation in the agreement. In October 2023, staff noted that portfolio management and loan servicing fees would exceed the \$75,000 annual maximum compensation and began a review to estimate future portfolio growth and determine an appropriate maximum compensation. Staff also worked with AmeriNational Community Services LLC (AmeriNat) to identify whether there were additional services provided by AmeriNat which would reduce other costs related to processing new loans through the County's Affordable Housing Programs (AHP) and Façade and Commercial Enhancement Program (FACE). After extended review, staff determined that no new services would benefit the County. The recommended amendment does not include any additional services or fee categories and is only intended to increase maximum compensation to cover all projected fees covered by the agreement.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Costs for servicing each loan are allocated to the grant particular funding source(s) that funded that loan.

The recommended amendment would increase funding for portfolio management and loan servicing fees in the first year of the agreement from \$75,000 to \$80,000, with an annual increase to the maximum compensation of 8% in each additional year of the agreement's term, to accommodate a projected 5% annual portfolio growth due to the issuance of additional loans through the County's AHP and FACE programs, and the annual 3% increase in set up and monthly servicing fees included in the original terms of the agreement.

Maximum Compensation for Portfolio Management & Loan Servicing Fees

<u>Agreement Year</u>	<u>Current</u>	<u>Amended</u>
11/1/22 - 10/31/23	\$ 75,000	\$ 80,000
11/1/23 - 10/31/24	\$ 75,000	\$ 86,400
11/1/24 - 10/31/25	\$ 75,000	\$ 93,312
Three Year Initial Term	\$225,000	\$259,712
11/1/25 - 10/31/26	\$ 75,000	\$100,777
11/1/26 - 10/31/27	\$ 75,000	\$108,839
Five Year Potential Term	\$375,000	\$469,328

The recommended action would also increase the maximum compensation for loan transfer fees, based upon a projected 5% annual portfolio growth, not to exceed \$74,000, which is in addition to the annual maximum compensation for portfolio management and loan servicing.

Inclusive of loan transfer fees, if the recommended amendment is approved, the total maximum compensation during the three-year initial agreement term shall not exceed \$333,712 and shall not exceed \$543,328 during the full five-year potential term of the Agreement. Sufficient appropriations and estimated revenues are included in the Department's Org 7205 and Org 5512 FY2024-2025 Adopted Budget, sufficient appropriations and estimated revenues are included in the Department's Org 7205 and Org 5512 FY2025-26 Recommended Budget, and will be included in subsequent budget requests.

DISCUSSION:

On September 20, 2022, the Board approved the agreement with AmeriNat to provide portfolio management and loan servicing for existing and new AHP and FACE loans. The County provides loans to various affordable housing and business programs funded by Federal, State, and Local dollars, under its AHP and FACE programs. Each program has its own rules and regulations governing the funding. AmeriNat has a proprietary servicing system, ALIAS, explicitly designed for the types of loans generated by municipalities and housing finance agencies under affordable housing and economic development programs. The County currently has 773 outstanding loans, totaling approximately \$33,000,000. AmeriNat has been under contract with the County since 2012 and is presently servicing all AHP and FACE program loans for the County.

During preparation of the original agreement, the annual costs for portfolio management and loan servicing were not accurately projected by County staff based on the fee schedule provided by AmeriNat as part of its proposal. In addition, the agreement's maximum compensation did not account for a projected 5% annual portfolio growth and the annual 3% increase in set-up and monthly service fees for portfolio management and loan servicing (the 3% increase was included in the terms of the agreement).

Upon the termination or expiration of the agreement, if a new vendor is selected to provide loan servicing, the agreement also includes a loan transfer fee to migrate loans from AmeriNat to the new vendor. The cost of these loan transfer fees was not included when calculating the agreement's maximum compensation.

Based on the current \$75,000 annual maximum compensation, a \$2,404.15 portion of the October 2023 and a \$3,185.61 portion of the October 2024 invoice were put on hold by the vendor until an amendment could be processed, as full payment of these two invoices would have exceeded the annual maximum compensation.

If approved by your Board, the recommended amendment will increase the maximum compensation to account for portfolio management and loan servicing fees, and loan transfer fees, including annual increases in fees based on projected annual portfolio growth and prescribed annual increases in fee amounts. All fees paid under the amended agreement will be offset with grant funds. All remaining provisions of the agreement will remain in full force and effect.

REFERENCE MATERIAL:

BAI #36, September 20, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I to Agreement No. 22-433 with AmeriNational Community Services LLC

CAO ANALYST:

Dylan McCully