



REQUEST FOR PROPOSAL

LOAN PORTFOLIO MANAGEMENT
FOR
OGDEN CITY COMMUNITY AND ECONOMIC DEVELOPMENT
DEPARTMENT

Prepared by Cathy Fuentes

Community Development

April 22, 2021

REQUEST FOR PROPOSAL
LOAN PORTFOLIO MANAGEMENT
FOR
OGDEN CITY COMMUNITY AND ECONOMIC DEVELOPMENT
DEPARTMENT

Ogden City Corporation is requesting sealed proposals from qualified offerors to service a variety of City loans.

Proposal packets are available and may be obtained by downloading from the Ogden City website at <http://ogdencity.com/264/Purchasing>.

Proposers are responsible for securing any and all addenda issued.

Responses to this Request for Proposal shall be submitted to the office of the City Purchasing Agent, 2549 Washington Boulevard, Suite 510 (5th Floor) Ogden, Utah, **no later than 3 PM, May 11, 2021. LATE PROPOSALS WILL NOT BE ACCEPTED.**

The City reserves the right to accept or reject any proposal as it best serves its convenience and/or is found to be in the best interest of the City.

Ogden City encourages and welcomes proposals from local, women and minority owned businesses and other disadvantaged business enterprises.

Accessibility and Language assistance help: 801.629.8701
or visit <http://accessibility.ogdencity.com>

TTY/TDD Relay Utah: 711 or 888.735.5906



Published: April 24 & May 1, 2021.

REQUEST FOR PROPOSAL

**LOAN PORTFOLIO MANAGEMENT
FOR
OGDEN CITY COMMUNITY AND ECONOMIC DEVELOPMENT
DEPARTMENT**

I. Project Scope

Ogden City desires to contract with an experienced loan servicing company to service a variety of loans. The Ogden City Community and Economic Development Department operates business development, housing, and neighborhood improvement programs. The City's loan portfolio supports affordable housing and economic development activities through the provision of loans and grants under a variety of loan programs.

The loan portfolio funding sources include, but are not limited to, the following:

1. Community development Block Grant (CDBG)
2. HOME Investment Partnerships Grant (HOME)
3. HUD Special Purchase Grant (SPG)
4. HUD Economic Development Initiative Grant (EDI)
5. Non-Federal Housing Funds
6. Redevelopment Agency (RDA)
7. Banks
8. General and Donor Funds

Loan Servicing Portfolio

These funding allocations are used to administer loans under a variety of affordable housing and commercial loan programs. The City's existing portfolio (including all loan categories identified) totals approximately 663 loans. This number represents active loans (including bankruptcies and delinquencies) that are currently being serviced externally. These loans are deferred, forgivable or amortized. A further breakdown is below:

Project Name	Fund #	# of Loans	Principal Balance	Terms
TAB Homeownership Loans	1171	3	\$151,686.83	Amortized
BIC Ogden homeownership loans	1173	5	\$168,387.78	Amortized
BIC CDBG Forgivable	603	12	\$348,000.00	Forgivable
BIC Donor Emergency loan Fund	890	1	\$10,000.00	Deferred
BIC CDBG Emergency loan Fund	891	3	\$22,000.00	Deferred
CDBG Business Loans	875	29	\$1,704,530.23	Amortized
HOME Deferred Loans	865	413	\$2,040,262.04	Deferred
CDBG Deferred Loans	866	83	\$415,153.64	Deferred
HOME Amortized	868	15	\$491,107.69	Amortized
CDBG Amortized	869	3	\$90,507.30	Amortized
EDI Loans	876	9	\$112,842.35	Deferred
SPG Loans	877	2	\$20,547.00	Deferred
Non-Federal Housing Funds	879	10	\$126,975.47	Deferred
HELP Program	880	73	\$832,145.38	Amortized
RDA Projects	1116	2	\$26,907.46	Amortized
TOTALS		663	\$6,559,851.66	

Table 1: Loan Portfolio February 28, 2021

II. Objective

Ogden City Community and Economic Development Department will use one loan portfolio management company, “Contractor” to provide servicing for loans issued under a variety of programs. Ogden City and the successful respondents will enter into a Professional Services Agreement for a period of one year, renewable. Loan Servicing and portfolio management responsibilities of the Contractor are defined in the Scope of Services outlined on Exhibit “A,” attached hereto.

III. Outline of Expectations

- A. Five years’ experience in servicing loans and providing portfolio management for outside clients.
- B. Significant experience in managing HUD-funded loans.
- C. Knowledge of federal and Utah State laws pertaining to loan servicing.
- D. Borrower online account access and automatic payment options.

- E. Ogden City online portfolio and access to accounts.
- F. Option for Ogden City to customize portfolio, project and individual loan reports.
- G. Experience in collections and delinquencies.
- H. Spanish language staffing is an advantage.

IV. Special Instructions to Respondents

A. Project Phases & Activities

The successful respondent will be under contract for a period of one year, with annual renewals considered.

B. Personnel/Staffing

Please provide an organizational chart of the proposed team for this project, including the names of specific team members and their assigned responsibilities.

C. Narrative on Approach to Scope of Proposal

Please describe your proposed approach to addressing each aspect of the attached scope of services.

D. Project Schedule

Please include a graphic schedule or timeline for applicable aspects of the scope of services.

E. Fee Schedule

Please provide a schedule of fees for each service proposed to be offered.

I. Transfer Fee

Please provide a fee schedule for the transfer of the loan portfolio. The

schedule shall be in terms of the cost per loan to accept all data and loan servicing information from the current loan servicer to the Contractor company.

G. Proposal Format

For uniform review and evaluation of the project proposals, the following format should be used in preparing your proposal:

1. Table of Contents
2. Narrative on Approach to Scope of Proposal
3. Project Schedule
4. Project Personnel/Staffing Description
5. Fees Schedule
6. Transfer Fee Schedule
6. Appendix (any additional pertinent information)

H. Time Frame

The deadline for receipt of submissions on this request for proposals is - **May 11, 2021 no later than 3:00 p.m., Mountain Time**. The interested parties shall provide (7) copies of the proposal in a sealed envelope, delivered to:

**Ogden City Purchasing Office
2549 Washington Boulevard, Suite 510
Ogden, Utah 84401**

LATE PROPOSALS WILL NOT BE ACCEPTED

V. Evaluation Criteria

The loan portfolio management company selection will be based on Exhibit A and qualifications as listed in the Outline of Expectations, proposed approach to the project and methodology, and proposed fees. The Selection Committee will consist of staff from the Ogden City Community and Economic Development Department and other city employees.

Proposals will be evaluated in accordance with the criteria listed below:

A.	Methodology and resources	30%
B.	Capability and experience	30%
C.	References	20%
D.	Cost / fee proposal	20%

VI. Insurance Requirements

The successful proposer shall procure and maintain for the duration of the contract the required insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of this agreement. The Contractor shall pay the cost of such insurance.

- a. The amount of insurance shall not be less than:
 - i) Commercial General Liability: Minimum of \$3,000,000 commercial general liability coverage with \$1,000,000 for each occurrence. Policy to include coverage for operations, contractual liability, personal injury liability, products/completed operations liability, broad-form property damage (if applicable) and independent contractor's liability (if applicable) written on an occurrence form.
 - ii) Business Automobile Liability: \$1,000,000 combined single limit per occurrence for bodily injury and property damage for owned, non-owned and hired autos.

- iii) Workers' Compensation and Employer's Liability: Worker's Compensation limits as required by the Labor Code of the State of Utah and employer's liability with limits of \$1,000,000 per accident.
 - iv) Professional Liability: Minimum of \$1,000,000 aggregate with \$500,000 per occurrence.
- b. Each insurance policy required by this Agreement shall contain the following clauses:
- i) "This insurance shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty days prior written notice by certified mail, return receipt requested, has been given to the Ogden City Corporation".
 - ii) "It is agreed that any insurance or self-insurance maintained by Ogden City Corporation, its elected or appointed officials, employees, agents and volunteers shall be excess of Contractor's insurance and shall not contribute with insurance provided by this policy."
- c. Each insurance policy required by this Agreement, excepting policies for Workers' Compensation, shall contain the following clause in a separate endorsement:
- i) "Ogden City Corporation, its elected and appointed officials, employees, volunteers and agents are to be named as additional insureds in respect to operations and activities of or on behalf of, the named insured as performed under Agreement with Ogden City Corporation."
- d. Insurance is to be placed with insurers acceptable to and approved by Ogden City Corporation. Contractor's insurer must be authorized to do business in Utah at the time the license is executed and throughout the time period the license is maintained, unless otherwise agreed to in writing by Ogden City Corporation. Failure to maintain or renew coverage or to

provide evidence of renewal will be treated as a material breach of contract.

- e. City shall be furnished with original certificates of insurance and endorsements effecting coverage required within, signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received by the City before work begins on the premises.
- f. City reserves the right to require complete, certified copies of all required insurance policies at any time.
- g. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respect to the City, their elected and appointed officials, employees, agents and volunteers; or Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- h. Contractor shall include all of its contractors as insured under its policies or shall furnish separate certificates and endorsements for each contractor. All coverages for Contractor's contractors shall be subject to all of the requirements stated herein.
- i. Nothing contained herein shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from the activities of Contractor or its agents, employees, invitees or contractors upon the Premises during the License Period.

VII. General Terms and Conditions

- A. Qualified respondents shall be Licensed Contractors in the State of Utah, for this type of work, and who meet Ogden City's insurance and bonding requirements, and have experience with all work defined in the scope of work.

- B. For projects that are security-sensitive in nature, Ogden City reserves the right to conduct a criminal background check of each person who will be providing services in response to this RFP. If requested, Contractor shall submit a BCI Criminal History Report dated within 30 days of response to RFP for each employee who will be on-site, that shows “Criminal History Verified” and has Arrest History attachments. Employees who have any convictions on their BCI record may be subject to further review and approval by Ogden City. Ogden City may reject any response to this RFP that involves services from a person or entity that Ogden City determines is unfit or unqualified to fulfill the requirements of this RFP.
- C. All work must meet current industry standards including all Federal, State and local rules and regulations.
- D. The City reserves the right to request clarification of information submitted, and to request additional information from any proposer.
- E. Ogden City will make every effort to ensure all offerors are treated fairly and equally throughout the entire advertisement, review and selection process. The procedures established herein are designed to give all parties reasonable access to the same basic information.
- F. Cost of Developing Proposals - All costs related to the preparation of proposals and any related activities are the sole responsibility of the offeror. Ogden City assumes no liability for any costs incurred by offerors throughout the entire selection process.
- G. Proposal Ownership – Once submitted, all proposals, including attachments, supplementary materials, addenda, etc. become the property of Ogden City and will not be returned to the offeror.
- H. Conflict of Interest – No member, officer, or employee of Ogden City, during his or her tenure shall have any interest, direct or indirect, in this contract or the proceeds thereof, except as permitted by Ogden City policy.

- I. Non-Collusion – The offeror guarantees the proposal is not a product of collusion with any other offeror and no effort has been made to fix the proposal price or any offeror or to fix any overhead, profit or cost estimate of any proposal price.
- J. Award of Contract - The selection of the company will be made by a selection committee comprised of city employees. Ogden City reserves the right to negotiate and hold discussions with prospective service providers as necessary, however, Ogden City may award this contract without discussion of proposals received from prospective service providers. The selected company shall enter into a written agreement with Ogden City. Ogden City reserves the right to cancel this Request for Proposal. Ogden City reserves the right to reject any or all proposals received. Furthermore, Ogden City shall have the right to waive any informality or technicality in proposals received, when in the best interest of Ogden City. Ogden City reserves the right to segment or reduce the scope of services and enter into contracts with more than one vendor.
- K. Pursuant to the Utah Government Records Access and Management Act (GRAMA), records will be considered public after the contract is awarded. If an offeror wishes to protect any records, a request for business confidentiality may be submitted to the Ogden City Records Office at the time of bid submission. The form can be accessed through the Recorder’s webpage at: <https://www.ogdencity.com/DocumentCenter/View/7004/Business-Confidentiality-Claim-form>

VIII. GOVERNING INSTRUCTIONS

This Request for Proposal will constitute the governing document for submitting Proposals and will take precedent over any oral representations.

IX. CONTACT INFORMATION

For any questions related to this RFP, please contact the Ogden City Purchasing office via

email purchasing@ogdencity.com or at (801) 629-8742.

The question-and-answer period ends at 10 AM on May 6, 2021.

Accessibility and Language assistance help: 801.629.8701
or visit <http://accessibility.ogdencity.com>

TTY/TDD Relay Utah: 711 or 888.735.5906



Exhibit “A”

Loan Portfolio Management

Scope of Services

Ogden City is soliciting proposals for Loan Servicing. The goal of this project is to maintain effective management of the loan portfolio, and to maintain low portfolio delinquency rates. The Contractor is to encourage and assist borrowers to keep their loans current and assist those borrowers who have fallen behind due to hardships.

The work will include, but not be limited to, the following services:

- Loan Servicing
- Set-up of New Loans, Loan Modifications and Loan Payoffs
- Loan Monitoring
- Loan Origination Services
- Collections and Loss Mitigation
- Delinquency Counseling, Repayment Plan and Forbearance Evaluations
- Technical Assistance
- Foreclosure Services
- Bankruptcy Tracking
- Record Maintenance and Account Access
- Additional Services
- Portfolio Transfer
- Account Inquiries
- Insufficient (NSF) Checks

Loan Servicing

1. Provide diligent and customary loan servicing functions.
2. Maintain a complete and accurate account of the borrower’s accounts and properly apply all sums collected from the borrower or through the partnering primary lending bank.

3. Deposit all payments received with respect to each loan into a demand deposit account in the name of Ogden City.
4. On or before the 12th calendar day of each month, remit to the City the total receipts minus loan servicing fees to the City and any specified participant lender.
5. The Contractor shall remit loan proceeds to the City along with the following monthly loan portfolio reports: Reconciliation Report of Accounts, Collection Report, a Portfolio report, Loan Payoffs Report and Monthly Delinquency Aging Report.
6. Any payments of \$10,000 or greater, received after the monthly remittance cutoff date, shall be sent to the city mid-cycle within seven calendar days of receipt.
6. Report loans to no fewer than three (3) credit bureaus and respond to any disputed credit reports filed by borrowers.
7. Contractor shall send a letter to each borrower on an annual basis reminding them of the loan obligations to the city and notifying them of any critical terms or conditions in the note.
8. Contractor shall send the City a monthly report identifying those loans whose deferral period shall terminate within one hundred and twenty days (120).

Set-up of New Loans, Loan Modifications and Loan Payoffs

1. From receipt of new loan information from the City, set-up of new loans should take no longer than two (2) weeks. Borrower shall be mailed a Welcome Letter and schedule of payment or coupon book within this time frame.
2. Upon request from the City, set-up of loan modifications of existing loans are to be complete within 24 hours.
3. Contractor shall provide payoff quotes from the borrower and/or City upon request and in a timely manner within 2 business days.
4. Contractor shall process and record a Substitution of Trustee and Full Reconveyance, at borrower's expense, upon loan satisfaction or when property is sold.
5. Contractor shall process and release all UCC-1 filings, at borrower's expense, upon loan satisfaction or when property is sold.

6. Preference may be given if City is able to make loan setup and modification requests online.

Loan Monitoring

1. Provide insurance monitoring, upon request.
2. Provide real estate tax monitoring, upon request.
3. Provide business financial statement monitoring and analysis, upon request.
4. Provide business payroll report monitoring, upon request.
5. Provide Davis Bacon monitoring, upon request.
6. Establish and monitor escrow and impound accounts, upon request.
7. Establish and monitor UCC-1 filings, upon request.
8. Perform and report annual site inspections of loan security, upon request.

Loan Origination Services

1. Preference may be given to Contractors who offer commercial, residential, and business loan underwriting services.
2. Preference may be given to Contractors experienced in underwriting U.S. Department of Housing and Urban Development (HUD) HUD-funded loans.

Collections and Loss Mitigation

1. Take all customary and appropriate action to collect all loans when due.
2. Provide default and delinquency monitoring.
3. Notify the City of all loan defaults. This may include sale, transfer, loss and/or damage to collateral used to secure loan, failure to provide adequate insurance coverage, borrower's misuse of mortgaged property, and/or other borrower violations of obligations under the executed loan documents. Contractor will follow standard collection procedure until the agreement is satisfied or other payment arrangements have been made.
3. Contractor shall send written notice to Borrowers for loan defaults discovered, and for all payments that are 15, 30, 45, 60 and 90 days past due, and document notices

in the Borrowers account.

4. Contractor shall attempt due diligence phone calls to defaulted borrowers beginning at 31 days past the payment due date. At minimum, Contractor will make telephone calls for delinquent business borrowers at 31 days, 45 days and 60 days delinquent.
5. All Default Letters, with respective correspondence notes must be available to Ogden City online, and when requested within two business days.
6. Preference may be given to Contractors who maintain qualified staff available during business hours to support Spanish speaking borrowers.

Delinquency Counseling, Repayment Plan and Forbearance

Evaluations

1. Contractor shall work with borrowers to evaluate their financial situation, including budget and credit counseling, to formulate repayment plans or recommend loan modifications for borrowers more than ninety (90) days past due.
2. Contractor shall document borrower's correspondence, commitments and maintain notes on all communication with borrowers and Ogden City.
3. Contractor shall develop, in cooperation with the borrower, a written forbearance plan and work with borrowers who have encountered hardships to recommend loan modification actions.
4. A forbearance plan of less than six months duration shall be executed by the borrower and immediately implemented by Contractor.
5. Proposals for formal modification to promissory note terms and long-term forbearance plans shall be forwarded to the city for pre-approval. Once approved by the City and executed by the borrower, contractor shall implement the new payment schedule. Contractor will follow standard collection procedure until the agreement is satisfied or other payment arrangements have been made.
6. Should a borrower default from the forbearance plan, Contractor shall notify the city in writing or by email to the City's designated person.

Technical Assistance

Provide assistance to Ogden City staff relative to current lending practices, policies and procedures which may be used in the development or modification of the City's existing and future loan programs.

Foreclosure services

Upon request from the City, the Contractor shall assist in foreclosure services.

Bankruptcy Tracking

Track and notify the City of borrowers' Chapter 7 and Chapter 13 Filings, file Proof of Claim or Reaffirmation Agreement, track pre- and post-petition payments and any other related tasks.

Record Maintenance & Account Access

1. Keep all loan records at the contractor's place of business and available, within twenty-four (24) hours' notice, for inspection during regular business hours, by City representatives, or other auditors/examiners/persons lawfully and appropriately authorized by the City other governmental authorities.
2. Contractor shall document borrower's correspondence and maintain notes on all communication with borrowers and Ogden City.
3. Maintain all online records in a safe and secure environment with, at the minimum of industry encryption standards for financial records.
4. The City shall always have online access to all active and inactive loans within its portfolio, including but not limited to payment history, loan servicer communication notes, loan documents, correspondence sent to borrowers, and other related records online.
5. Borrowers shall always have access to all payment history and loan terms online.
6. Borrowers shall have the ability to make payments online, through automated recurrence, mail, and over the phone, at minimum.
7. City and its borrowers shall have continuous access to all loan account information

during normal working hours by phone and facsimile.

8. Preference will be given if City is able to create customizable online performance reports.

Additional Services

1. If the contractor is located in Utah, Contractor shall process and record a Substitution of Trustee and Full Reconveyance, at borrower's expense, upon loan satisfaction or when property is sold.
2. Per IRS regulations, Contractor shall submit each year on behalf of the City, required 1098 tax information returns for any borrower paying interest on a City loan.
- 2 Contractor shall provide a year-end account summary statement to each borrower if there has been activity in the account. The report shall indicate principal, and interest paid, the amount of payments made on the borrower's behalf for taxes and insurance, any remaining escrow/impound balance.
- 3 Assist the city is preparing for and responding to independent, City and HUD audits.
- 4 Preference will be given to Contractors experienced in business loan and Fannie Mae Mortgage underwriting and loan servicing.

Portfolio Transfer

In the event the City requires the contractor to transition back to the City or other loan servicer all City loans, the Contractor shall package all hard-copy City loan files for return shipment and shall provide loan portfolio information via the web in an agreed electronic format.

Account Inquiries

The City and its borrowers shall have continuous access to all loan account information during normal working hours by phone and facsimile. When requested by a borrower, the Contractor shall provide, without charge, a detailed statement of all transactions relating to loan payments and/or escrow account. Borrowers and City shall have 24-

hour electronic access to their loan information via Contractor's website.

Insufficient Funds (NSF) Checks

In the event a check is returned unpaid due to insufficient funds, a returned check fee shall be assessed. A letter shall be sent to the borrower requesting immediate payment plus the returned check fee. If this fee is not received, a memo shall be placed on the individual's account and the fee shall be collected.