

PROPOSAL TO PROVIDE SERVICES

Request for Proposals #5-2016
Loan Servicing for Division of Grants and Special Programs
Lexington-Fayette Urban County LFUCG



d/b/a AmeriNat in KY, GA, and FL

Presented by:
AmeriNational Community Services
8121 E. Florence Avenue
Downey, CA 90240

March 4, 2016



March 4, 2016

Cyndra Brown
Lexington-Fayette Urban County LFUCG
Division of Grants & Special Programs
200 East Main Street, 6th Floor
Lexington, KY 40507

AmeriNational Community Services (“AmeriNational”) is pleased to offer the Lexington-Fayette Urban County LFUCG (“LFUCG”) a comprehensive solution and proven solution for its loan portfolio needs.

Having worked with the LFUCG as your current provider since 2002, we have an in-depth understanding of your portfolio needs. AmeriNational is able to continue to provide the scope of work requested by the LFUCG. Further detail of these services is provided in the “Scope of Work” section of this proposal.

AmeriNational is a wholly-owned operating subsidiary of OSP, LLC. OSP is an O'Brien-Staley Partners company. Alongside OSP, the senior management of AmeriNational remains committed to continuing to grow our services within the affordable housing and economic development arenas.

Our goal has been to provide excellence in customer and borrower service. We thank the LFUCG for allowing us to service your portfolio needs and look forward to continuing our relationship with you. We will be pleased to answer any questions you have on the enclosed material or provide any additional information you should need. You may contact me directly at (866) 779-5545 or via email at athorson@amerinational.net or Michelle “Micki” Gylten, Regional Sales Manager at (319) 626-6114 or via email at mgylten@amerinational.net.

Sincerely,

A handwritten signature in cursive script, appearing to read "Adrienne", with a long, sweeping flourish extending to the right.

Adrienne Thorson
Chairperson, CEO/CFO

Table of Contents

LETTER OF TRANSMITTAL

TABLE OF CONTENTS

EXPERIENCE 1

INSURANCE 8

REFERENCES 9

CORPORATE INFORMAITON 10

MANAGEMENT AND PARTICIPATING PERSONNEL 11

SCOPE OF WORK 24

FEE SCHEUDLE 36

ADDENDUM 40

Experience

AmeriNational has provided loan servicing, loss mitigation and other related services to states, cities, and housing authorities across the nation since 1975. We service over 66,000 loans with a principal balance of approximately \$5 billion, the majority of which were generated by clients similar to the LFUCG, to promote affordable housing. AmeriNational 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. AmeriNational is an approved servicer for:

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

Our experience has enabled us to provide programs tailored to meet the requirements of our valued clients. The LFUCG can rely upon AmeriNational for:

- ▶ **Industry Expertise** – AmeriNational possesses a vast knowledge of varying lending portfolios that often require extensive and unique portfolio management requirements not found in conventional lending environments. Our realm of expertise includes residential and commercial rehab loans, “blended loans” with multiple funding sources, deferred loans, due on sales loans, forgivable loans, and equity share provisions of first time home buyer loans, among others. We also have specific experience with loans made under the Hardest Hit Fund program for Indiana as well as other states.
- ▶ **Advanced Information Technology Capabilities** – AmeriNational employs two major servicing platforms, both offering robust business processes for loan management and collection duties. Reporting is extensive and highly flexible, and information accessibility is a key tenet to each of our platforms. Borrowers have access to their loan data online, and clients can access all borrower data and reports online, real-time, 24/7/365. This same information can be downloaded into Excel for further manipulation and analysis by our clients.
- ▶ **Flexibility** – We are not a “big-box” firm with rigid requirements. We provide personal, high-touch service, adhering to uniformly accepted servicing standards and best practices in the industry, but also customizing our steps to meet our client’s program requirements and goals. Particularly in the area of delinquency management, we deploy a range of different tools designed to meet our clients’ objectives. We work 1-on-1 with our clients, as their partners in service delivery. AmeriNational also excels with its reporting flexibility. Authorized LFUCG staff can view, print, and download all of their portfolio data, at any time, via their own computer terminals. Data reporting is customizable and can be reported in several ways, including program type, funding source and funding year.

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

- ▶ **Mortgage Compliance Solutions:** This service makes it easy for our clients to originate professional, TRID compliant mortgages. Our solution keeps borrower-facing activities with the client and moves the technical underwriting, TRID compliant disclosures, and loan document preparation "behind the curtain" to us. It leverages the relationship of trust the client has built with their homeowners while ensuring a continuing focus on the technical and highly regulated back-end processes.
- ▶ **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.
- ▶ **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 AmeriNational 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:** AmeriNational 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:** AmeriNational 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.

Typical Implementation Schedule:

As a current client of AmeriNational, the LFUCG’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. AmeriNational’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	<ul style="list-style-type: none"> • Define roles and responsibilities; obtain preliminary information about portfolio • On-site client meetings • Plan implementation and schedule conversion date • Determine available formats for data • Complete “portfolio transfer questionnaire” with client 	Implementation plan and schedule

EXHIBIT A
Page 7 of 44

Milestones	Activities	Deliverables
2. Requirements Preparation	<ul style="list-style-type: none"> • 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 for consistency • Prepare program guidelines • Forward proposed borrower welcome package to client for approval 	Completed program guidelines; completed approved welcome packages
3. Data Programming	<ul style="list-style-type: none"> • Transfer loan data into AmeriNational's system • Quality control review of set up reports, trial balances • Cash and loan balancing 	Data entered
4. File and Data Reconciling	<ul style="list-style-type: none"> • Hardcopy (original or copy) files 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	<ul style="list-style-type: none"> • Good-bye letters (client) a minimum of 15 days prior to the servicing start date. AmeriNational 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	<ul style="list-style-type: none"> • Review program guidelines with staff • Provide client staff training for web-based reporting 	Completed reviews and training
7. Service Conversion	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 LFUCG.

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 AmeriNational 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 result 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.

Customer Service:

AmeriNational is 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. AmeriNational also has an automated voicemail system available 24 hours a day, 7 days a week. 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. AmeriNational 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 purposes, 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 LFUCG will have 24-hour electronic access to their loan information via AmeriNational's Website at www.amerinternational.net. 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 LFUCG 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.

Ethics and Integrity:

AmeriNational 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. AmeriNational 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.

AmeriNational has always operated within a heavily regulated industry and its infrastructure emphasizes compliance with all applicable local, state and federal laws and regulations. AmeriNational holds the appropriate licenses for every jurisdiction in which it operates. All employees operate under a Code of Ethics that has been established by AmeriNational'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.

AmeriNational 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
- Quarterly loan audits
- Annual compliance audit over all pertinent federal regulations
- Annual SAFE audit
- Bank Secrecy Act audit every 1 year -18 months
- Outsourced internal audits based on annual risk assessment

Management Information System:

Since its inception, AmeriNational 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. AmeriNational 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 AmeriNational'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.

Insurance

AmeriNational has a comprehensive package of insurance coverage in place that meets the requirements for FNMA approved servicers. This includes business liability of \$1,000,000 per occurrence, occurrence and umbrella liability of \$5,000,000 per occurrence; a mortgage bond in the amount of \$6,500,000; 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.

References

AmeriNational believes recommendations from past and/or present clients are the best indicators of a firm's performance. The LFUCG is encouraged to contact the individuals listed below for a candid assessment of our capabilities.

Client Information	Contact Person	Service Description	Service Years
Macon-Bibb County 700 Poplar St. Macon, GA 31201	Robert I. Myers Program Specialist Economic & Community Development Department Phone: (478) 803-2404 rmyers@maconbibb.us	Loan Portfolio Management	2007 – Present
City of Columbus 90 W. Broad Street, 4 th Floor Columbus, OH 43215	Phillip Carter Grants Management Coordinator Phone: (614) 645-7492 pdcarter@columbus.gov	Loan Portfolio Management	2004 - Present
City of Birmingham 710 N. 20 th Street Birmingham, AL 35203	Ken Knox Deputy Housing Director Phone: (205) 254-2723 Kenneth.knox@birminghamal.gov	Loan Portfolio Management	2003 – Present
Washington, D.C. 801 N. Capitol Street, NE Suite 7000 Washington, D.C. 20002	Robert Hayden Chief Asset Manager, Fiscal Office Phone: (202) 442-7160 robert.hayden@dc.gov	Loan Portfolio Management	2006 – Present
City of Cincinnati 805 Central Avenue 7 th Floor Cincinnati, OH 45202	Shannon Johnson Administrative Specialist Dept. of Trade and Development Phone: (513) 352-6255 shannon.johnson@cincinnati-oh.gov	Loan Portfolio Management	2008 – Present
Lexington-Fayette Urban County LFUCG 200 East Main Street, 6 th Floor Lexington, KY 40507	Cyndra Brown Grants Manager Phone: (859) 258-3085 cbrown2@lexingtonky.gov	Loan Portfolio Management	2002 – Present

Corporate Information

The corporate officers of AmeriNational are as follows:

Adrienne Thorson, Chairperson & CEO/CFO
Michael Torres, President & COO
Tim O'Malley, SVP Sales & Marketing
Mark Fredericks, SVP of Multifamily Services

Locations:

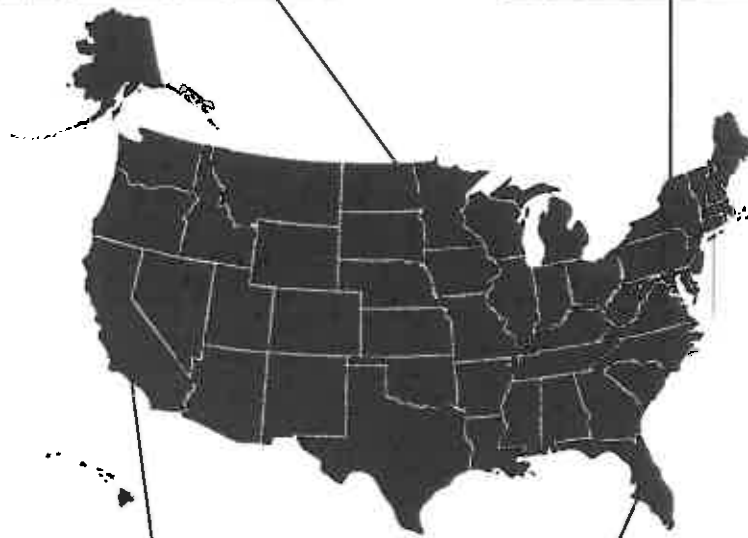
AmeriNational has strategically located its offices throughout the country, as indicated below, in order to best serve our clients. AmeriNational has relationships with banks and other partners located throughout the country which can be used to facilitate servicing of our client's loans as necessary.

Corporate Headquarters

217 South Newton Ave.
Albert Lea, MN 56007
Attn: Adrienne Thorson
Phone: (507) 377-6030
Email: athorson@amerinational.net

Northeast Office

921 E. Fort Avenue, Suite 120
Baltimore, MD 21230
Attn: Tim O'Malley
Phone: (410) 644-3901
Email: tomalley@amerinational.net



Operations Center

8121 East Florence Avenue
Downey, CA 90240
Attn: Michael Torres
Phone: (562) 927-6686
Email: mtorres@amerinational.net

Southeast Office/Multifamily Services

5300 W. Cypress Street, Ste. 261
Tampa, FL 33607
Attn: Mark Fredericks
Phone: (813) 282-4800
Email: mfredericks@amerinational.net

Management and Participating Personnel

Personnel:

AmeriNational is proud to have a highly trained and motivated, caring team of staff members. We have 100 employees located throughout our offices who combine proven experience with a level of personal care and concern for their clients and borrowers that we have found to be unmatched in this industry. We engage in continual training and industry education and stay abreast of the ever-changing regulations and practices in the loan servicing arena. We have established robust hiring criteria, background checks and screening processes, and maintain a supervisor to staff ratio that ensures sufficient oversight, mentoring and feedback.

The managers and supervisors listed below and on the following page will be assigned to the LFUCG's portfolio, and will be assisted by our other staff members. They are capable of effectively carrying out the scope of services desired by the LFUCG in accordance with its servicing manual.

Staff member	Job Title/Classification	Role
Adrienne Thorson	Chairperson and CEO/CFO	Service delivery management
Michael Torres	President and Chief Operations Officer	Project operations oversight
Debra Vranesh	Operations Manager	Servicing management
Victor Merritt	Director of Default Management	Loss mitigation
Robert Ramirez	Loss Mitigation/Collections Manager	Loss mitigation
Sondra Stockton	Borrower Services Manager	Borrower services, including reconveyance, payoffs, set ups, and other borrower service requests
Mary Puertos	Payment Processing and Monitoring Manager	Payment processing activities, including tax and insurance administration.
Jennifer Zollman	Service Support Center Manager	Special requests and client services

Resumes for these individuals follow.

ADRIENNE THORSON, CPA
CHAIRPERSON, CEO/CFO

Summary of Qualifications:

Adrienne came to AmeriNational with a strong background in executive consulting, financial services and lending environments. She is the Chairperson of the Board of Directors, Chief Executive Officer and Chief Financial Officer of AmeriNational.

PROFESSIONAL EXPERIENCE	
1998 – Present	<p>AmeriNational Community Services</p> <p>Adrienne is responsible for the overall financial and strategic direction of AmeriNational. She develops and distills company service standards as key values, assuring that the firm's delivery of services is consistent with such. Adrienne oversees all division heads of the firm, including the company President, the Sales and Marketing department, accounting and compliance, and the multi-family areas of the firm. She is the firm's primary individual answerable to clients and employees for satisfaction with company performance and service goals and generally accepted servicing standards.</p> <p>She participates frequently in industry building initiatives through private enterprise and LFUCG sponsored events to promote a responsible, effective and valued servicing industry, and promotes affordable housing opportunities nationwide through LFUCG, non-profit and for-profit sectors.</p> <p>Adrienne is also the management representative on the firm's Audit Committee.</p>
1998 – 2004 2008 – 2010	<p>American Bank and its predecessor Americana National Bank</p> <p>From 2008 through 2010 Adrienne served as the Market President for the Community Banking division of American Bank.</p> <p>From 1998 to 2004 Adrienne was also Chief Financial Officer of Americana National Bank, AmeriNational's former parent organization. She was responsible for all financial matters of the bank and its subsidiary organizations, managed all regulatory compliance and reporting, was a member of the Board of Directors and served as Chairperson of the Audit Committee. Adrienne was also the key liaison to the 2004 combination of Americana National Bank with American Bank.</p>

IBM Mid America Employees Credit Union

1996 – 1997

Adrienne was a key member of the management team and was responsible for the overall audit plan of a \$500,000,000 credit union. She developed the audit plan and scope for mortgage origination and servicing operations nationwide, was a member of the audit committee reporting directly to the Board of Directors, directly oversaw all branch audits for a nationwide branch network and held a key role in regulatory compliance and reporting.

LarsonAllen LLP

1988 – 1996

Adrienne was a Manager in financial services department of LarsonAllen LLP, now a top 20 accounting firm with locations throughout the United States. Adrienne conducted and led audits of financial institutions, including banks, credit unions and loan servicing organizations. She also conducted audits of LFUCG entities, nursing homes, and manufacturing entities and was responsible for business generation as well as staff and firm development.

Education:

Mankato State University – Graduated Magna Cum Laude with a Bachelor's degree in Accounting.

Special Certifications, Community Activities:

Certified Public Accountant

Frequent speaker for educational and charitable functions

Former Vice-President the Freeborn/Mower Habitat for Humanity

Leader in the Freeborn County 4H Program

Good Samaritan Home Community Advisory Board Member

Member of Community Growth Initiative: Immigrants in the Workforce and Minority

Entrepreneurs

MICHAEL TORRES
PRESIDENT & CHIEF OPERATING OFFICER

Summary of Qualifications:

Michael is the President and Chief Operation Officer of AmeriNational. He has been with AmeriNational Community Services since 1987 and has served in various capacities. He is a key member of the executive management team for the firm, and also sits on the Board of Directors. Prior to his employment with AmeriNational, Michael served in the United States Marine Corp.

PROFESSIONAL EXPERIENCE

AmeriNational Community Services

1987 – Present

As the President and COO of AmeriNational, Michael is responsible for all aspects of the single family servicing and financial services functions of the company. He is a proven executive manager with over 24 years of progressive management oversight experience in the Affordable Housing Industry. During this span, Michael has worked closely with Federal, State and local LFUCG successfully establishing corporate policies and procedures and maintaining regulatory compliance. Michael also works directly with the firm's clients and is responsible for performing service delivery quality assurance and ensuring client satisfaction. Michael stays abreast of industry developments on both the affordable housing and servicing management sides of the business by attending numerous courses during the year. He leads the service and technological developments of the firm, guiding technology strategies and initiatives. He is also the designated EEO and Affirmative Action Program administrator for the firm.

Education:

University of Phoenix – Bachelor of Science degree in Business with a concentration in Finance
United College of Business – Diploma in Business Data Processing
Various other lending and regulatory compliance related seminars and classes

DEBBIE VRANESH
OPERATIONS MANAGER

Summary of Qualifications:

Debbie possesses a strong background in Loan Servicing. She has experience servicing fixed and adjustable first and second mortgages, Home Equity Lines of Credit, consumer loans, personal lines of credit and sub-serviced loans. She has management experience in all areas of Loan Servicing including Investor Reporting, New Loan Set-up, Payoffs, Payment Processing, Collections, Customer Service, Taxes and Insurance, Impound Accounts, and Reconciliations. She is directly responsible for developing and training staff, implementing operational policies, servicing procedures and quality control.

PROFESSIONAL EXPERIENCE

AmeriNational Community Services

2006 – Present

As the Operations Manager for AmeriNational, Debbie's responsibilities includes overseeing all loan servicing operations, including Collections, Payment Processing, Loan Origination, Compliance, Disbursements, Administration, Payoff and Customer Service. She is responsible for new client implementation and satisfaction and also oversees client relationships and service commitments. She is responsible for establishing and implementing procedures, insuring proper reporting and controls are in place, supervising and developing service line managers.

Financial Partners Credit Union

1995 – 2006

As the Director of Loan Servicing, Debbie was responsible for the servicing of all loans originated and purchased by the credit union for a \$723 million loan portfolio. She negotiated secondary loan sales with the highest regard for profitability requirements to various investors including Fannie Mae, Freddie Mac and several private investors. She developed and implemented annual strategic department business plans, expense budgets, policies and procedures and maintained compliance with all applicable laws and regulations pertaining to loan servicing. Debbie supervised, motivated, trained, coached and evaluated the performance of the positions reporting to the Loan Servicing Department. She was also a member of the management team and would join with all management members to review and address customer service and related function, operational policies, lending rates, employee issues, quality control, planning new loan products and other activities.

Education:

Orange Coast College – Associate of Arts Degree in Business Administration, Certificate in Accounting

VICTOR MERRITT
DIRECTOR OF DEFAULT MANAGEMENT

Summary of Qualifications:

Victor possesses a strong background in loan servicing, risk management and compliance. He brings over 20 years of collections experience to AmeriNational.

PROFESSIONAL EXPERIENCE	
2013 – Present	<p>AmeriNational Community Services</p> <p>As the Director of Default Management for AmeriNational, Victor's is responsible for overseeing all of the loss mitigation and collection activities for the firm. He is responsible for establishing and implementing procedures, insuring proper reporting and controls are in place, supervising and developing the collections department.</p>
2006 – 2013	<p>Carrington Capital Management, LLC</p> <p>As the Senior Collateral Risk Manager/Corporate Risk Compliance Officer, Victor managed two large loan pools, established and implemented extensive risk/third party oversight policies to adhere to the CFPB expanded regulations. He participated in senior management business-level discussions and decisions involving business vision and strategy, enterprise-level decisions, standardization of best practices and project governance oversight. He advised internal legal department on complex litigation and or trustee activities and represented the company at contested foreclosure hearings when necessary. Victor conducted regular risk assessments and quality assurance reviews to evaluate compliance with company requirements. He developed strategies to improve non-performing loans, reduce delinquencies, and maximize recoveries and minimized losses.</p>
2005 – 2006	<p>Greenlight Financial</p> <p>As the Director of Loan Servicing/Loan Administration, Victor was responsible for managing all servicing units including foreclosure, bankruptcy, collections, customer service and loss mitigation. He performed loan transfers, identified loss mitigation opportunities, tracked bankruptcies on residential 1st and 2nd mortgages, among various other duties.</p>

2002 – 2005

Wells Fargo Home Mortgage

As the Default Manager I, Victor was responsible for managing 21 cross trained default counselors and two supervisors. He hired, trained and evaluated employee's performance, managed bankruptcy filings and reaffirmation agreement, negotiated forbearance agreements, obtained and analyzed collection data, prepared complaints for court action and acceleration letters.

Education:

Rutgers University – Newark, NJ

Licensed Real Estate Agent

Member of Western Independent Bankers

ROBERT RAMIREZ
LOSS MITIGATION/COLLECTIONS MANAGER

Summary of Qualifications:

Robert came to AmeriNational with a strong background in collection and financial services. He has over 15 years of mortgage servicing experience.

PROFESSIONAL EXPERIENCE	
2014 – Present	<p>AmeriNational Community Services</p> <p>As the Loss Mitigation/Collections Manager for AmeriNational, Robert is responsible for handling the daily duties of the Collection Department to ensure adherence to collection policies and procedures, state and federal regulations, and client contract requirements. He manages the collection staff to ensure all collection and loss mitigation timelines and delinquency goals are met and maintained. Robert provides additional coaching to assist staff in striving for results.</p>
2011 – 2014	<p>PMAC Lending Services</p> <p>As the Loss Mitigation/Default Manager, Robert planned, directed, supervised and evaluated the workflow for the Loss Mitigation department. He managed foreclosures and bankruptcies to ensure requirements were met. He also managed the outsourced international collections center. Robert reviewed credit reports, BPO/appraisals, title, and income documentation for overall qualifications.</p>
2010 – 2011	<p>Kondaor Capital Corporation</p> <p>As the Foreclosure Specialist, Robert provided customer service within high volume call centers and mortgage businesses. He provided day-to-day supervision and training of front-end collection associates. Robert provided coaching and daily feedback to associates. He reviewed income documentation and analyzed new loans.</p>

Robert's prior work experience also includes:

NCCI (2008 – 2010)
Loss Mitigation Supervisor

EMC Mortgage (2008)
Mortgage Loan Counselor

Option One Mortgage (2000 – 2008)
Underwriter II
Collection Supervisor
Loan Counselor Specialist

SONDRA STOCKTON
CUSTOMER SERVICE MANGER

Summary of Qualifications:

Sondra has over 36 years of experience in customer service, project management and internal audit and over 20 years of loan servicing experience.

PROFESSIONAL EXPERIENCE	
2007 – Present	<p>AmeriNational Community Services</p> <p>As the Customer Service Manager for AmeriNational, Sondra’s responsibilities include managing training, work flow and performance of 12 employees in the areas of new loan setups, payoffs, reconveyance and customer service. She creates/updates procedure manuals for various job functions and sets guidelines for delivering exceptional customer service. Sondra establishes departmental goals and fields technical questions from staff.</p>
1995 – 2007	<p>Financial Partners Credit Union</p> <p>As the Loan Servicing Supervisor, Sondra was responsible for responsible for ensuring customer inquiries/complaints, correspondence and phone calls were handled in a timely manner. She supervised the loan servicing staff, assigned workloads, monitored progress, and applied judgment on special situations requiring exceptions. She implemented loan servicing regulations investor guidelines and credit union servicing policies. Sondra was responsible for maintaining compliance with all applicable laws and regulations. She would ensure investor remittances, wire transfers, payment of taxes and hazard insurance, DMV fees and other loan servicing functions were done within required time frames to avoid penalties. She streamlined inefficiencies and ensure effectiveness of policies. Sondra was also responsible for ensuring timely processing of credit card payments, new credit card accounts, fraud claims and chargebacks.</p>
1979 – 1993	<p>Security Pacific National Bank</p> <p>As the Vice President of Operations, Sondra was responsible for the daily branch operations. She was also the in-house teller training division lead and was number one in the division for quality customer service.</p>

Education:
Long Beach City College

MARY PUERTOS
PAYMENT PROCESSING & MONITORING MANAGER

Summary of Qualifications:

Mary has been with AmeriNational since 1990. She has extensive experience in loan administration and collections.

PROFESSIONAL EXPERIENCE

AmeriNational Community Services

As the Payment Processing and Monitoring Manager, Mary is responsible for ensuring processes and procedures are followed as it pertains to payment processing and tax and insurance payments and/or monitoring. She establishes guidelines and procedures and continues to amend procedures as needed to increase efficiency and quality of service. She ensures the Loan Servicing Department is current regarding any regulatory changes that pertain to property taxes, insurance, and the processing of payments.

1990 – Present

Prior to her role as the Payment Processing and Monitoring Manager, Mary was the Collection Manager and was responsible collection duties, foreclosure analysis, amendment recommendations, foreclosure monitoring and bankruptcy monitoring. Additionally, she routinely trained staff in new procedures to increase collection results and productivity. Mary worked with program managers to assess feasibility of work-out agreements, modifications and foreclosures. She assisted program specialists to better understand bankruptcy and foreclosure procedures. She also works with borrowers to reach work-out agreements that would assist borrowers in repaying delinquency.

Prior to being the Collections Manager, Mary was the New Accounts Supervisor. Her responsibilities included the set-up of new and/or transferred loans as well as the review of new and/or transferred loan setup files. She coordinated with program specialists the information necessary to facilitate transfer of loan portfolios and worked with borrowers to understand terms and conditions of promissory notes.

Education:

Cerritos Jr. College

California State University of Long Beach

Certification of Attendance – California Foreclosure and Related Bankruptcy and Title Issues Seminar

JENNIFER ZOLLMAN
CLIENT SERVICES MANAGER

Summary of Qualifications:

Jennifer has over 15 years of experience in loan servicing.

PROFESSIONAL EXPERIENCE

AmeriNational Community Services

As the Client Services Manager for AmeriNational, Jennifer is responsible for new client orientation to ensure smooth service implementation, and to serve as a direct point-of-contact during client's acclimation to services. This includes assisting the client in coordinating the transfer of their loan portfolio to AmeriNational. Ongoing responsibility is to serve as liaison between staff and clients to resolve service issues before they become problems.

2000 – Present

Jennifer's responsibilities include maintaining contact with all clients to ensure the highest possible level of satisfaction. Educating clients and AmeriNational staff on the best use of our services as well as the use of our web site. Assisting new clients with transferring loan portfolios and ensuring that all transfers are done smoothly and accurately. Assisting existing clients with establishing new programs and the transfer of corresponding portfolios. Preparing and maintaining program guidelines for each client to ensure that their individual loan programs are being handled per their guidelines and requirements. Reviewing contracts and program guidelines to ensure compliance in servicing and billing. Auditing loan portfolios to ensure proper contract pricing. Educating AmeriNational staff in regard to new client programs and portfolios. Coordinating AmeriNational departments regarding to work flow for new and existing clients.

Education:

Associates of Arts degree with a special emphasis on the foundations of business – University of Phoenix

Various Customer Service and Affordable Housing industry training seminars and conferences.

Equal Employment Opportunity

AmeriNational has a strong commitment to non-discrimination and encouraging diversity among its employees. We encourage the hiring and advancement of women and minorities in the workplace. We have a non-discrimination policy in place which is acknowledged by every employee. We maintain numerous staff members fluent in Spanish. Our training programs include various modules focused on sensitivity training and diversity.

Current leadership positions held in our firm by women and minorities include the positions of CEO/CFO, COO, Operations Manager, Mortgage Operations Manager, Sales Manager, National Compliance Manager, Baltimore Branch Manager, Marketing Manager, and multiple department managers as well as line staff.

At last tally, the employment make-up of the firm was as follows:

	AFRICAN AMERICAN (BLACK)	HISPANIC	ASIAN OR PACIFIC ISLANDER	INDIAN OR ALASKAN NATIVE	CAUCASIAN (NON- HISPANIC)	GENDER	
						M	F
Management	5	4			14	8	15
Staff	7	31	5		32	20	55
Total	12	35	5	0	46	28	70

Scope of Work

Loan Servicing for Amortized and Deferred Loans

1. Introductory Package: Upon boarding of each new loan, AmeriNational will send to each borrower a welcome package. This welcome package contains a Notice of Servicing Transfer, Fair Debt Notice, FACT Act Letter, ACH sign-up form and a supply of coupons.
2. Collection and Remittance of Payments: AmeriNational will collect payments from the borrowers through monthly or other scheduled remittances of principal, interest, fees, escrow balances and other identified payments. These remittances will be posted to the loan and ancillary records in accordance with the loan documents and the LFUCG's written instructions. Payments will be posted the same day as receipt. All funds will be maintained in an FDIC insured banking institution in a custodial account for the benefit of the LFUCG and the borrowers as applicable. AmeriNational will ensure the proper balancing of cash received and transmitted and loan portfolio totals on a daily and monthly basis. Remittances will be forwarded to the LFUCG monthly net of fees and other authorized charges due to AmeriNational.
3. Payment of Property Taxes: At the LFUCG's request, AmeriNational will monitor the timely payment of property taxes. Tax service will be required to monitor payment of property tax.
4. Insurance Monitoring: AmeriNational will notify the insurance agent in writing that AmeriNational is monitoring premium payments and that we are to be made aware of delinquencies or cancellations. AmeriNational will force place insurance in accordance with respective regulation (see Insurance section).
5. Escrow/Impound Account: If the LFUCG chooses, AmeriNational will establish an escrow/impound account for any borrower for the payment of taxes and insurance. Many borrowers find it easier to pay into an escrow account on a monthly basis rather than making large semi-annual or annual tax and insurance payments. AmeriNational will collect the monthly escrow payment from the borrower and make the tax and insurance payments on the borrower's behalf. The borrower escrow accounts will be analyzed annually in accordance with the Real Estate Settlement Procedures Act (RESPA). Tax service is necessary to ensure the timely and accurate payment of property taxes.

Please note: Unless respective state law requires otherwise, AmeriNational's escrow analysis utilizes a 2-month cushion in accordance with RESPA. This cushion is an industry standard and is intended to minimize the likelihood of escrow shortages / deficits when and if escrow disbursement items increase. If this cushion is not consistent with the LFUCG's current escrow analysis process, borrowers' escrow analysis may result in a shortage and/or escrow payment increase at the time of AmeriNational's first analysis. This may impact borrowers' ability to make increased monthly payments to escrow. Should the LFUCG request alternative handling of loan accounts with escrow payment increases, this may result in the LFUCG incurring extraordinary services charges.

If the LFUCG chooses to establish an escrow/impound account for any borrower, AmeriNational will also establish a Client Escrow Deficit account. This account is used to track and reconcile borrower accounts with escrow deficits as a result of payments made on the borrower's behalf in excess of their escrow balance. The escrow deficit account will be reconciled monthly and the net change will be included or deducted from the LFUCG's monthly remittance; a net shortage/negative will be deducted and a net overage/positive will be remitted. Regardless of whether or not the net shortage/negative is deducted from remittance, the LFUCG remains responsible for all escrow advances made by AmeriNational.

At portfolio transfer AmeriNational will require a cash deposit of the total amount of positive escrow balances. Negative escrow balances will be set up, but the total amount of negative escrow balances will not be netted out of the positive cash escrow balances.

6. Late Fees: In keeping with the provisions of the LFUCG's promissory note, AmeriNational will assess and retain a late fee when payment is not made within the grace period.

Lender Placed Insurance

In accordance with respective regulation, upon notification of a policy cancellation from the borrower's insurance carrier, or when proof of a current policy is not received, AmeriNational will request lender-placed insurance from AmeriNational'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. AmeriNational's insurance provider or their carrier will send out three letters to the borrower over the course of forty-five 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, AmeriNational's insurance provider will send an insurance policy and notification of premium to the borrower and bill AmeriNational for a one-year policy. If the borrower does not have an established impound account; AmeriNational 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. If the aggregate portfolio remittance for said month is insufficient to cover the deficit amount, the LFUCG will be billed and responsible for the cost 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.

The Portfolio Status Report, delivered monthly to the LFUCG, will also reflect such negative impound balances (i.e. the total amount of such premiums owed by borrower).

5. The one-year policy is cancelable at any time by either AmeriNational or the LFUCG.

Account Inquiries

Borrowers and LFUCG have 24-hour electronic access to their loan information via AmeriNational's Website at www.amerinational.net. 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 hard copy account payment histories or other information through facsimile transmission or email. When requested by a borrower, AmeriNational will provide, without charge, a detailed statement of all transactions relating to the borrower's payments and/or escrow account.

Non-sufficient Funds (NSF) Checks

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.

Additional Portfolio Management Services

1. **Loan Payoff Quotations, Satisfactions, Reconveyances:** AmeriNational will provide Loan Payoff Quotations and will perform Satisfactions and Reconveyances of Mortgage at the borrower's expense for any loan at the LFUCG's request.
2. **Loan Amortization Schedules:** AmeriNational will provide Loan Amortization Schedules for any loan at the LFUCG's request.
3. **1098 Tax Forms:** Pursuant to IRS regulations and, on behalf of the LFUCG, AmeriNational will submit required 1098 tax form for any and all borrowers paying interest on any LFUCG loan.
4. **Year-End Account Summary:** AmeriNational will supply a year-end account summary statement to each borrower if there has been principal, interest or escrow activity on their account. The report will indicate principal and interest paid, amount of payments AmeriNational made on the borrower's behalf for taxes and insurance, and any remaining escrow balance.
5. **Tickler Notifications:** AmeriNational will provide for an annual tickler notification to any borrower, at the LFUCG's request.

Loan Transfer

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

Loan Reconstruction

Over the course of our history, we have assisted our wide range of clients in reconstructing their portfolio of loans to ensure the accuracy and consistency of the booked loans with the terms and conditions of the original loan documents. Reconstruction work may involve a detailed review of payment histories to determine posting accuracy and compliance with promissory notes, truth in lending statements, and other applicable related loan documents.

Reports

AmeriNational's standard reports are designed to meet the LFUCG's objectives and funding source requirements. Data reporting is flexible and can be reported in several ways, including program type, funding source and funding year. Hard-copy reports are available as indicated in addition to the electronic reporting available to the LFUCG online through our Internet LoanLink service. Through LoanLink, the LFUCG has unlimited access to account and portfolio data, and can view the information as well as generate reports that can be downloaded into Excel.

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 hard-copy report forwarded monthly to the LFUCG.
2. Current Month Reconciliation Report: This report serves as reconciliation for the loan payments remitted by borrowers.
Frequency: Available on-line, one hard-copy report, along with remittance check, forwarded to the LFUCG 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 hard-copy report forwarded monthly to the LFUCG.
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 LFUCG upon request.

5. Escrow Analysis Report: For loans requiring monthly escrow/impound payments for taxes and/or insurance, AmeriNational 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 LFUCG upon request.
6. Account Status Information Report: Provides borrower profile, loan term and current balance and status information for individual borrower accounts within a client's portfolio. This report includes a vast amount of information on any particular account within the LFUCG'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: AmeriNational 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 AmeriNational 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.

Loss Mitigation

AmeriNational provides treatment for delinquent mortgages through positive pressure that is fair but firm. If delinquent borrowers have a positive attitude toward their obligations, we will work with them to help them retain title to their property.

The following policy of follow-up will be adhered to by AmeriNational to minimize any loss of income to the LFUCG:

1. New Borrower Delinquency: Early delinquency can be a sign of a chronic delinquent borrower. AmeriNational forwards its first letter to new delinquent borrowers at 5 days past the first payment due date. If there is no response, a second letter is sent at 15 days. Borrowers are invited to contact our office to discuss difficulties they may be facing in meeting their obligations. If no response is received to either letter, due diligence phone calls begin at 17 days delinquent.

2. Delinquency/Default Letter Production: While most borrowers will pay without much individual attention, delinquencies will rise because some borrowers, left alone, will fall into poor paying habits. Therefore, letters of varying tone and composition will be sent at 15, 30 and 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. The letters emphasize the seriousness of the situation, the potential for loss of the borrower's property, and demands immediate payment.
3. Due Diligence Phone Calls: Telephone calls will be placed to all mortgage loan borrowers in accordance with CFPB guidance and best practices. We will attempt to establish live contact with the borrower beginning at the 17th day of delinquency with a good faith goal of establishing contact with the borrower by the 36th day of delinquency. We will make one or more subsequent attempts to contact the borrower every 30 days thereafter. Telephone contact offers several advantages: it demands attention; it interrupts other activity; it establishes a personal communication; and it requires immediate response. The objective of the call is to secure or demand prompt payment, obtain information needed to determine the reason for the delinquency, and to gain a commitment for future payments.
4. Credit Reporting: AmeriNational will report to the credit bureaus any borrower payment activity on a monthly basis.
5. Confirmation Letters: Contact with borrowers is used to solicit commitments to repay past due amounts. A borrower will be provided with the opportunity to bring the loan current immediately, and within six months. Once a commitment is gained, AmeriNational will forward a confirmation letter to document both the call and the commitment. The revised payment plan of no greater than six month's duration is then implemented. Default under this plan may cause AmeriNational to recommend foreclosure.

Forbearance Plans

Formal forbearance plans are typically used for defaults of 90+ days. A forbearance plan of less than six months duration is executed by the borrower and immediately implemented by AmeriNational, with notice immediately provided to the LFUCG. Formal modifications to promissory note terms and forbearance plans of greater than six months duration are forwarded to the LFUCG for pre-approval. Before the borrower executes the agreement, the LFUCG is requested to approve the plan.

Once approved, AmeriNational will implement the new payment schedule. Should a borrower default from the new payment schedule without cause, AmeriNational will recommend foreclosure.

Forbearance Evaluation Process: A hardship is defined as a situation or set of events or circumstances beyond the normal control of the borrower that prohibits the borrower from adhering to a planned repayment schedule. If a borrower states, either verbally or in writing, that a hardship situation exists, AmeriNational will document the circumstances and provide the following:

- i. Letter from borrower requesting the LFUCG's consideration of hardship
- ii. Nature of the hardship
- iii. Expected duration of the hardship
- iv. Evidence to substantiate hardship
- v. Forbearance Plan Proposal

If the LFUCG approves the Forbearance Plan Proposal and executes the agreement with the borrower, AmeriNational will resume loan servicing under the new payment plan. The file will be tickled for follow-up at the expiration of the temporary plan.

AmeriNational's objective is to formulate a plan to bring the loan current as soon as possible. However, in light of the LFUCG's original purpose in making these loans (to assist the low/moderate income and disadvantaged citizens of its community), AmeriNational may recommend forbearance plans that defer all or part of the regular repayments for a specified period of time.

Loan Modification Analysis

1. **Preliminary Screening:** When initial contact with the borrower indicates a short term forbearance agreement will not be enough to bring the account current, AmeriNational will provide the borrower with a "Request for Loan Modification Package."
2. **Initial Analysis:** Upon receipt of the Modification Package, AmeriNational will review the package to determine supporting materials are present and that the forms are complete. Support materials may include but are not limited to, paycheck stubs, W-2's, Federal Tax Returns, bank statements, mortgage statements, property tax bills and insurance policies. After the package is reviewed and found to be complete, an initial analysis will be completed. The initial analysis can be completed prior to incurring any applicable outside costs, such as ordering a credit report or property value report if required.
3. **Final Modification Analysis and Recommendation:** Once all information received has been verified, the final analysis will be developed using the LFUCG's modification program guidelines. This analysis will reflect information such as affordability (debt-to-income ratio), status of 1st mortgage, occupancy, and borrower's ability to pay, etc. Based on the aforementioned, the recommendation will convey whether it is reasonable to proceed with the modification and what type of modification will best suit the needs of the borrower and the LFUCG. The recommendation along with the supporting documentation will be sent to the LFUCG for approval.
4. **Approval:** Once a loan modification has been approved, either the LFUCG or AmeriNational shall prepare and forward the required documents to the borrower for signature and recording if applicable. After the documents have been executed, originals will be retained by the LFUCG and copies will be sent to AmeriNational.

After receipt of executed modification documents, AmeriNational will make the appropriate modifications to the loan, send the borrower new payment coupons, if applicable, and

electronically notate the account. The copied modification documents will be electronically uploaded into the electronic paperless loan file for retention.

Loan Foreclosure

The mortgage transaction and all collections efforts are predicated on the assumption that the borrower is motivated and able to meet the mortgage obligation. A decision to foreclose is based on an analysis of an individual loan. We will look at the borrower with particular emphasis on basic motivation, ability to pay; and attitude or level of cooperation. If a borrower has been uncooperative, non-responsive, or unwilling to cure the existing default by all reasonable means, AmeriNational will recommend foreclosure.

This step is generally not taken until after a loan becomes over 120 days delinquent. Upon the LFUCG's approval, and in accordance with respective local, state and federal statutes, AmeriNational will send the borrower a notice of intent to foreclose/demand letter, with a copy to the LFUCG. If no response is received within 30 days, AmeriNational will advise the LFUCG of the non-response. Upon the LFUCG's direction, AmeriNational will proceed to foreclosure. AmeriNational will properly document all steps taken to affect a cure.

If the loan is not reinstated or paid off, AmeriNational will continue foreclosure up to and including the sale of the property. Upon sale of the property, AmeriNational will return all proceeds of the sale to the LFUCG less foreclosure fees and any previously un-reimbursed costs incurred.

In the event the borrower reinstates the loan, AmeriNational will remit to the LFUCG all payments received from the borrower. For those loans that are reinstated by the borrower, AmeriNational will resume normal servicing functions.

Bankruptcy Administration Services

1. Chapter 13 Bankruptcy:

- a. Upon receipt of notification from a court of law, debtor (borrower), or the LFUCG of a Chapter 13 bankruptcy for a debtor serviced by AmeriNational, AmeriNational will forward a notification letter to the LFUCG indicating intention to file a Notice of Claim as well as supporting bankruptcy documentation. Such Notice of Claim will indicate the total amount past due at time of Chapter 13 filing. AmeriNational will then file a Proof of Claim to the appropriate court. Upon receipt of a returned filed Proof of Claim from the court, AmeriNational will forward a copy of same to the LFUCG and will begin monitoring post and pre-petition payments to borrower's loan account.
- b. Upon any default of borrower in the remittance of post petition payments, AmeriNational will contact the borrower's (debtor's) counsel to notify counsel of the default, instructing that any further default will result in the filing of a Motion to Lift the bankruptcy stay. If the borrower has no legal counsel and has filed their bankruptcy petition "pro se", (on their own behalf) or with the assistance of a licensed paralegal; AmeriNational can communicate directly with the borrower. In addition, notification of the default will be

forwarded to the Trustee's office. Should there be a continued default in post-petition payments and at the instruction of the LFUCG, the Motion to Lift will be filed by AmeriNational and AmeriNational will begin foreclosure proceedings as directed by the LFUCG.

2. Chapter 7 Bankruptcy:

- a. Upon receipt of notification of a Chapter 7 bankruptcy for a debtor serviced by AmeriNational, AmeriNational will establish a file for the borrower and monitor payments. Additionally, a reaffirmation agreement will be generated and forwarded to the borrower's attorney (debtor's counsel) for signature, and to the appropriate court upon receipt of the executed document. This fully enforceable agreement, if executed, will retain the lien as secured and will keep the lien from being discharged as part of the Chapter 7 discharge. If the borrower has no legal counsel and has filed their bankruptcy petition "pro se", (on their own behalf) or with the assistance of a licensed paralegal; AmeriNational can communicate directly with the borrower.
- b. Upon any default of borrower's remittance of payments during the bankruptcy, AmeriNational will contact the borrower's (debtor's) counsel advising of the default, but if filed pro se, then the debtor would be contacted directly.
- c. Should the Chapter 7 Trustee determine that assets are available for distribution to creditors, AmeriNational will file a Proof of Claim on behalf of the LFUCG, indicating total amount due.

Subordination Processing

1. Subordination Request Package: The LFUCG, upon receiving a request for subordination, will refer the borrower to AmeriNational. AmeriNational will send a Subordination Request Package to the borrower or designee (lender or title). The LFUCG may require the borrower to pay the cost of the subordination processing at application or the LFUCG may pay the cost upon billing from AmeriNational.
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 LFUCG's subordination policy and that the LFUCG'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: AmeriNational prepares (or reviews documents 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 LFUCG 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 LFUCG's approval of a request for subordination, the LFUCG will forward to borrower's lender or Title Company:
- a. Completed and executed Subordination Agreement between the LFUCG and borrower
 - b. Closing instructions dictating terms / use of Subordination Agreement document
 - c. Request for Notice document for new senior loan

Income Re-verifications

1. Level One (Income Only):

- a. In keeping with the provisions of the borrower's promissory note and/or loan agreement, AmeriNational will forward an income re-verification package to each borrower. The package will contain instructions and forms needed to complete the re-verification.
- b. A reminder letter will be sent in two weeks if the required information has not been received.
- c. If the borrower fails to respond within the allotted time frame, AmeriNational will notify the LFUCG of the borrower's non-compliance.
- d. Upon receipt of a completed re-verification package, AmeriNational will perform the following tasks:
 - Verify that forms are complete and proof of income has been received.
 - Calculate the borrower's income to determine continued compliance with the LFUCG's program requirements for income.
 - Forward re-verification report to the LFUCG, with a recommendation for continued deferral or amortization.
 - If the recommendation is to amortize the loan, and the LFUCG approves, AmeriNational will prepare necessary loan documents (additional charges will

apply). The loan documents will be forwarded to the LFUCG for borrower and LFUCG signatures. AmeriNational will record necessary documents and will begin collecting under the new payment schedule.

2. Level Two (Income, Debt, and other Program Requirements):

Includes all level one services plus the following:

- a. AmeriNational will order credit reports on borrower and will calculate the borrower's debt to income ratio to determine if borrower has present capacity to make monthly loan repayments;
- b. AmeriNational will receive documentation (established by the LFUCG) to determine that program requirements have been met, e.g. continued occupancy, insurance, etc.
- c. AmeriNational will forward a re-verification report that includes the status of the borrower's income, capacity for incurring additional monthly note repayments, and compliance with the LFUCG's program requirements.

Property Conditions Profile and Affidavit of Owner

1. Property Conditions Profile:

- a. AmeriNational engages an outside vendor to perform a site visit to each owner's property to determine the outer condition of the dwelling and the condition of any detached structures and grounds. Two photos will be taken to document the condition of the property. NOTE: AmeriNational will not, at any time, enter upon the owner's private property.
- b. Property profiles shall rate (good, fair, poor) the condition of the property, and also comment on the following: roof type, property type, structure color, neighborhood condition, construction type, environmental hazards, and status of utilities.
- c. If the dwelling appears vacant or abandoned, it will be noted in the report.
- d. Property profiles may be ordered by the LFUCG with any frequency desired, e.g., once every two years, once every three years, etc.

2. Affidavit of Owner:

AmeriNational will forward an instructional letter and Affidavit of Owner to each borrower. The Affidavit requires the owner to affirm continued compliance with all provisions of the promissory note and/or rehabilitation agreement. Such provisions may include, but are not limited to, the following:

- Continued residence
 - Timely payment of property taxes
 - Ongoing hazard and flood insurance coverage
 - Timely payment of all sums due to superior lien holders
 - Proper maintenance of the property
 - Non-subordination
- a. If no response is received within two weeks, AmeriNational will send a second letter, again requesting owner to sign and return affidavit.
- b. AmeriNational will compile responses and will forward original affidavits to the LFUCG.

Fee Schedule

Loan Portfolio Management

New Loan Set-Up Fee: \$45.00 per loan

The set-up fees above are based on the LFUCG'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: \$14.68 per loan per month

The above fees include delinquency monitoring and collections activities on past due accounts and all other servicing activities unless separate service fees are identified below. 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.

Deferred Loans:

Loans serviced by AmeriNational prior to June 7, 2012:

For all loans in the transferred portfolio, a servicing fee of \$1.95 per month per loan.

For any new deferred loans, the loan servicing fee shall be as follows:

- i. Warehouse: One time charge of \$80.00 per loan
- ii. Warehouse and monitor of taxes and/or insurance: one-time charge of \$125.00 per loan plus a one-time tax service vendor fee.
- iii. Warehouse and escrow of taxes and/or insurance: one-time charge of \$60.00 per loan PLUS \$6.50 per month PLUS a one-time tax service vendor fee.
- iv. Flat fee for receiving occasional payments on deferred loans: \$9.00 per payment

Loans serviced by AmeriNational on or after date of new contract:

- i. Set-Up Fee: \$45.00 per loan
- ii. Warehouse: \$2.20 per loan per month
- iii. Warehouse and monitor of taxes and/or insurance: \$2.80 per loan per month plus a one-time tax service vendor fee.

- iv. Warehouse and escrow of taxes and/or insurance: \$14.68 per loan per month plus a one-time tax service vendor fee.
- v. Flat fee for receiving occasional payments on deferred loans: \$14.68 per payment

Loss Mitigation: Included in monthly service fee.

Tax Service: If it is determined that Tax Service is needed, then a one-time fee of \$65.00 per loan upfront at time of servicing commencement will be charged (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 \$10.00 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 LFUCG.

Forbearance Plans (if requested by the LFUCG):

AmeriNational will charge a flat fee of \$375.00 per loan per occurrence to institute a formal forbearance plan (usually in excess of 6 months in duration and with approval of the LFUCG). The LFUCG may require the borrower to pay this fee. Informal forbearances (usually less than 6 months in duration) to allow a delinquent borrower to catch up and bring their loan current are performed at no charge to the borrower or the LFUCG.

Loan Modification Analysis (if requested by the LFUCG):

AmeriNational will charge the following fees for a Loan Modification Analysis:

- | | |
|---|-----------|
| 1. Preliminary Screening and Initial Analysis to the LFUCG
Due within 30 days of Analysis to the LFUCG | \$ 165.00 |
| 2. Final Analysis and Recommendation, plus outside costs *.
Due within 30 days of completion of final recommendation | \$160.00 |
| 3. Loan Document Preparation, plus outside costs *.
Cancellation Fee: The fee due will be the sum of all fees for tasks (1-3 above) completed, plus one-half of the fee for the task in process at the time of cancellation. | Varies |

* Outside costs include, but are not limited to, title, credit, and appraisal / valuation. These costs are passed through from outside vendors and are subject to marketplace increases.

Loan Foreclosure (if requested by the LFUCG):

AmeriNational will charge the following fees for Loan Foreclosure services:

1. **Document Preparation:** A one-time charge of \$410.00 to prepare documents to commence foreclosure proceedings and to manage the foreclosure process on behalf of the LFUCG. In addition to the above foreclosure service fee, AmeriNational will deduct and pay from remittance or bill the LFUCG for other costs incurred in the foreclosure process such as, but not limited to, conventional legal fees, sheriffs' deposits, bankruptcy closing costs, fees set by law, etc. These fees will be accurately quoted on a case-by-case basis upon request by the LFUCG and within all applicable statutory limits. Reinstatement figures provided more frequent than monthly may be subject to an additional charge of \$15.00 per occurrence.
2. **Reinstatement Terms:** The LFUCG reimbursement for foreclosure services rendered, and its costs and other charges, will be made by the borrower upon reinstatement or full payment of any Deed of Trust or Mortgage under foreclosure.

Bankruptcy Services (if requested by the LFUCG):

AmeriNational will charge the following fees for Bankruptcy services:

1. Filing of Proof of Claims Fee: \$100.00 per occurrence
2. Filing of Reaffirmation Agreements Fee: \$75.00 for each occurrence
3. Monitoring and Repayments Fee: \$12.00 per loan per month for the duration of an active Chapter 7/13 case for monitoring Chapter 7/13 plans and Discharges or Debtors (Chapter 13), and the receipt of post and pre-petition payments.
4. Filing of Lift Stays Fee: \$175.00 per occurrence plus out-of-pocket fees and costs. Such fees and costs include, but are not limited to, obtaining local council in the bankruptcy jurisdiction and as approved by the LFUCG. The LFUCG will be responsible for the payment of any fees for filing suit or related outside costs due AmeriNational that cannot be reimbursed from the borrower.

Subordination Processing (if requested by LFUCG):

A fee of \$360.00 per analysis per loan.

Income Re-verifications:

A \$250.00 per file charge will be made for a level one income verification. A level two verification, including income, debt and program requirements, will be conducted at a fee of \$385.00 per file.

Additional fees upon occurrence include:

- a. Ordering of any income verification documents, e.g. verification of employment, verification of deposit: \$50 per document
- b. When a re-verification package, reminder letter, and report is issued by AmeriNational for non-responsive borrower, a cancellation fee of \$75 per non-responsive file.
- c. To reopen a file that has been assessed a cancellation fee, the file will be the full fee less any previously assessed cancellation fee.
- d. On a file for which a recommendation has been provided but is thereafter resubmitted with changed or additional information, a re-evaluation fee of \$35 per resubmission.

Per-Event Fees:

Tickler Notifications:	\$12.50 per notification
Loan Transfer Fee:	\$50.00 per loan one-time fee if transferred from AmeriNational
Property Conditions Profile:	\$50.00 per occurrence
Affidavit of Owner:	\$13.00 per loan (entire portfolio done at onetime) with a \$500 minimum fee.

Extraordinary Account Research and/or Loan Reconstruction

AmeriNational 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 LFUCG request additional research to be conducted, or if the LFUCG engages AmeriNational 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 LFUCG before the research is conducted.

When research is conducted at the request of the LFUCG because of a discrepancy between the LFUCG's records and AmeriNational'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 LFUCG and not forwarded to AmeriNational for updating of its records, the extraordinary research fee will be charged for the time spent on the research.

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

Addendum

Attached is the signed Addendum #1.



Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE & ADMINISTRATION

Jim Gray
Mayor

William O'Mara
Commissioner

ADDENDUM #1

RFP Number: **#5-2016**

Date: February 16, 2016

Subject: Loan Servicing for the Division of Grants & Special Programs

TO ALL PROSPECTIVE SUBMITTERS:

Please be advised of the following clarifications to the above referenced RFP:

All questions pertaining to this RFP must be submitted via email to Cyndra Brown at cbrown2@lexingtonky.gov

Or via mail at

Lexington-Fayette Urban County Government
Division of Grants & Special Programs
200 East Main Street, 6th Floor
Lexington, KY 40507

Todd Slatin, Director
Division of Central Purchasing

All other terms and conditions of the RFP and specifications are unchanged.
This letter should be signed, attached to and become a part of your submittal.

COMPANY NAME: AmeriNational Community Services

ADDRESS: 217 South Newton Avenue, Albert Lea, MN 56007

SIGNATURE OF BIDDER: