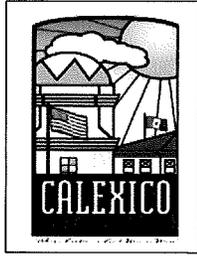


**AGENDA  
ITEM**

**19**



# AGENDA STAFF REPORT

**DATE:** May 17, 2016

**TO:** Mayor and City Council

**APPROVED BY:** Nick Fenley, Interim City Manager 

**PREPARED BY:** Julia R. Osuna, Interim Housing Manager & Economic Development Manager 

**SUBJECT:** Award request for proposal to AmeriNational Community Services to provide loan portfolio services for the City of Calexico Housing Programs and Authorize Interim City Manager to sign Services Agreement with AmeriNational Community Services.

=====

**Recommendation:**

It is recommended that the City Council approve the following:

1. Award request for Proposal from AmeriNational Community Services to provide loan portfolio services for the City of Calexico Housing Programs.
2. Authorize Interim City Manager to sign Services Agreement with AmeriNational Community Services to provide loan portfolio services for City of Calexico Housing Programs for a period of three years.

**Background:**

The City of Calexico Housing Department is required by the State of California Housing and Community Development that every three years a proposal for loan portfolio services be solicited. In August 2015 staff sent out 9 proposals to different agencies and organizations for loan portfolio services. The city received one response. The City of Calexico again solicited proposals in March 2016 and followed up with phone calls for responses and two were recieved. Our current company managing the city's loan portfolio is AmeriNational Community Services. The scope of services requested is the following:

AGENDA  
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1. Consultant shall provide loan portfolio servicing services to the City of Calexico for a period of three years.
2. Consultant shall: collect loan payments on a monthly basis, produce monthly account statements for amortized and deferred loans, produce an aging report, delinquencies, and 1090 Interest reporting form.
3. Consultant shall provide on-going services to the City of Calexico in the HOME, CDBG housing, other grant programs and Business loan programs on an as needed basis. This may include the preparation of reports and studies as may be necessary.

**Discussion & Analysis:**

On March 15, 2016 the City of Calexico Housing Department solicited proposal for services on the housing loan portfolio. On April 15, 2016 the Interim Housing manager received 2 proposals from the following companies:

1. Michael Baker International
2. AmeriNational Community Services

A committee was formed with staff from the planning and building department, city manager's office and housing department to review and analyze the bid documentation from both proposals. After careful review the committee is requesting City Council authorization to award the proposal and authorize the Interim City Manager to sign an agreement with AmeriNational Community Services.

**Fiscal Impact:**

Approximately  
\$17,000 is paid annually by several housing program income funds.

**Coordinated With:**

City Manager's Office.

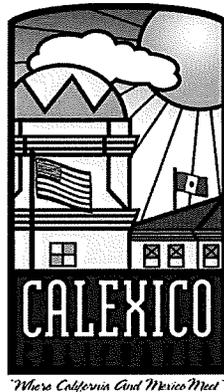
**Attachments:**

1. Request for proposal for loan portfolio services
2. AmeriNational Community Services response
3. Services agreement between the City of Calexico and AmeriNational Community Services.

# Attachment “1”

**CITY OF CALEXICO**  
**Housing and Economic Development Department**

**Request for Proposals**



**Loan Servicing Services**

FOR :

Housing Rehabilitation, First Time Home Buyer, and Microenterprise  
Loan Portfolios

Funded by:

The California Department of Housing and Community Development (HCD)  
and  
Community Development Block Grant (CDBG) Program

Issued Thursday, March 15, 2016

**DUE DATE AND SUBMISSION REQUIREMENTS:**

**One (1) Original and Five (5) Copies of Proposals** must be received by **5:00 P.M. on Friday April 15, 2016**

**Point of Contact**  
Julia Osuna  
Interim Housing and  
Economic Development Manager  
608 Heber Ave.  
Calexico, Ca.92231

EXHIBIT 1

**CITY OF CALEXICO  
REQUEST FOR PROPOSALS FOR  
Loan Servicing Consultant Services**

NOTICE IS HEREBY GIVEN that the City of Calexico acting by and through its City Council, hereinafter referred to as the "CITY OF CALEXICO", will receive up to, but not later than **5:00 p.m. on April 15, 2016**, sealed PROPOSALS for negotiation and award of a contract concerning **Loan Servicing Services for the Housing Rehabilitation, First Time Home Buyer, and Microenterprise Loan Portfolios, under the Housing and Economic Development Department.**

To be considered, one **original and five copies of PROPOSALS must be received in the office of the City of Calexico, Housing and Economic Development Department 608 Heber Avenue, Calexico, California, 92231, and Attention: Julia Osuna, Interim Housing and Economic Development Manager**, by the time specified above.

Proposals shall be evaluated by a selection committee. It is the City of Calexico's intention to select the Consultant whose proposal is deemed to be most advantageous to the City of Calexico in accordance with the evaluation criteria set forth in this Request for Proposals. A Selection Committee appointed by the Interim Housing and Economic Development Manager will review and score the proposals and recommend the most responsive and responsible firm to receive the contract award. The Selection Committee's recommendation will be forwarded to the City of Calexico's City Council for final determination.

The CITY OF CALEXICO reserves the right to reject any or all PROPOSALS, or to waive any irregularities or informalities in any qualifications or in the selection process.

Disadvantaged Business Enterprises (DBE), Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Owned Businesses (VOB) are encouraged to participate.

### **3.0 SCOPE OF SERVICES**

The individual or firm will perform these services under the supervision and direction of the Interim Manager of City of Calexico Housing and Economic Development Department. The City of Calexico wishes to contract with an individual or firm on an as-needed basis to provide the following services:

- 3.1 Consultant shall provide loan servicing services to the City of Calexico for a period of three years.
- 3.2 Consultant shall: collect loan payments on a monthly basis, produce monthly account statements for amortized and deferred loans, produce an aging report, delinquencies, and 1090 Interest reporting form.
- 3.4 Consultant shall provide on-going services to the City of Calexico in the HOME, CDBG housing, other grant programs and Business loan programs on an as-needed basis. This may include the preparation of reports and studies as may be necessary.

### **4.0 MANDATORY REQUIREMENTS FOR ALL PROPOSALS**

- 4.1 All proposals must demonstrate that the consultant has the willingness and ability to comply with all documents, including but not limited to a Governing Agreement.
- 4.2 All proposals must be accompanied with the name(s), title(s) and resume(s) of the individual(s) who will be performing the services should the contract be awarded.
- 4.3 All parties submitting proposals shall include with their proposals at least three (3) current professional references, including name, address, and telephone number.

### **5.0 PREPARATION OF PROPOSALS**

All statements of proposals must include an original and five copies to be submitted in sealed envelopes bearing on the outside the name of the consultant, address, and the title of the RFP for which the qualifications are submitted. It is the sole responsibility of respondent to ensure that the proposals are received by CITY OF CALEXICO in proper time. Any proposals received after the scheduled closing time for receipt will be returned to the consultant unopened. Proposals may not be submitted by facsimile, telegraph, electronic mail or any other means other than by personal delivery, United States Mail or other delivery services such as Federal Express or United Parcel Service.

### **6.0 SIGNATURE**

The statement of qualifications documents or any modification must be signed in the name of the consultant and must bear the original signature of the person or persons authorized to sign the proposal.

- f. The consultant shall carry not less than the following insurance and shall provide verification to the City of Calexico upon request:
  - 1. Professional Liability Insurance: Errors and Omissions Insurance in an amount of at least \$1,000,000 single limit coverage, covering all personnel employed by the Loan Servicer in the capacity of acting as an Agent of the municipality.
  - 2. General Liability Insurance: General Liability Insurance in an amount of at least \$1,000,000, single limit coverage, covering all personnel employed by the consultant in the capacity of acting as an Agent of the municipality.
  - 3. Worker's Compensation: Worker's Compensation Coverage in full compliance with California statutory requirements for all personnel employed by the consultant in the capacity of acting as an Agent of the municipality.
  - 4. Automobile Liability Insurance: Automobile Liability Insurance in an amount of at least \$1,000,000 combined single limit coverage including owned, non-owned and hired vehicles.

## **11.0 Proposed Scope of Work**

A prospective consultant should provide an understanding of the requested services and provide a description of how the firm proposes to provide the services requested.

### **11.1 Personnel and their Availability**

Provide resume(s) of the key personnel who would be assigned to perform the services as described. Indicate status of each person's relationship to your firm, whether an employee, partner, subcontractor, or other contractual agreement. The statement should also identify for each member of the team, their area of expertise, and experience.

**11.1.2** Qualified personnel shall perform all services and shall maintain all necessary certificates and licenses required to perform such services.

**11.1.3** Except when, and if, the workload demands otherwise, all services shall be conducted within the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

## **12.0 Cost of Proposed Services**

The cost of the Loan Serving Services shall be based on the fee schedule proposed and work authorized. Describe your proposed fee schedule for determining the cost of the requested services for the term of the contract. Billing for the services shall be submitted to the Interim Housing Manager. Provide cost for the list of services provided but not limit to:

**14.0 PROHIBITION AS SUBCONTRACTORS UNDER COMPETITIVE SEALED QUALIFICATIONS**

No party submitting a proposals who is permitted to withdraw a qualifications shall, for compensation, perform any subcontract or other service for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the proposal for which the withdrawn qualifications was submitted.

**15.0 REVIEW OF PROPOSALS**

Proposals will be reviewed by a committee designated by the Interim Manager of the Housing & Economic Development department. Qualifications including references, fees and familiarity with services requested will be evaluated. The committee will determine which proposal best meets the needs and requirements of the City of Calexico. The proposal that is determined to best meet the needs and requirements of the City of Calexico may not be the lowest priced proposal.

The City of Calexico reserves the right to award an agreement without further competition based on the responses received to this RFP.

The City of Calexico reserves the right to reject any and all proposals received for any reason, regardless of whether the RFP will be reissued, revised, or completely abandoned. The City of Calexico reserves the right to make changes in the scope of work at any time up to the signing of a contract.

The City of Calexico reserves the right to request additional information not included in this RFP from any or all respondents after April 15, 2016.

The City of Calexico reserves the right to contact references not provided in the submittals.

# Attachment “2”

Original



## PROPOSAL TO PROVIDE SERVICES

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Request for Proposals for Loan Servicing Services for:  
Housing Rehabilitation, First Time Home Buyer, and  
Microenterprise Loan Portfolios  
City of Calexico, CA



d/b/a AmeriNat<sup>®</sup> in KY, GA, and FL

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

April 11, 2016

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d/b/a AmeriNat<sup>SM</sup> in KY, GA, and FL

April 11, 2016

City of Calexico  
Housing and Economic Development Department  
Attn: Julia Osuna, Interim Housing and Economic Development Manager  
608 Herber Avenue  
Calexico, CA 92231

AmeriNational Community Services ("AmeriNational") is pleased to offer the City of Calexico ("City") a comprehensive solution and proven solution for its loan portfolio needs.

We are able to offer the City a comprehensive and proven solution for its loan portfolio needs. AmeriNational is an experienced loan underwriter and servicer providing the tasks of payment collection, processing and remittance, delinquency notices, escrow administration, 1098 reporting, collection services and other back-office functions necessary in effectively administering a loan program. We also provide, via our LoanLink solution, a robust loan accounting database accessible 24/7/365 over the internet, literally at the City's fingertips, containing standard and customizable investor reports and providing all borrower activity and loan history

As the City's current service provider, we are familiar with your staff and your underwriting and servicing requirements. We thank the City for allowing us to service your portfolio needs since 2001, and look forward to continuing our relationship with you. We work to constantly enhance our services, providing more flexibility and better customer service, and appreciate our clients who will challenge us to grow along with them in the coming years.

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](mailto:athorson@amerinational.net) or Tim O'Malley, Sr. VP of Sales and Marketing at (410) 644-3901 ext. 1417 or via email at [tomalley@amerinational.net](mailto:tomalley@amerinational.net).

Sincerely,



Adrienne Thorson  
Chairperson, CEO/CFO

# Statement of Qualifications

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## A. Relevant Experience:

AmeriNational has specialized in servicing loans made by Housing and Economic Divisions, cities and other governmental agencies under government-sponsored affordable housing programs throughout the United States for over 40 years. We have direct experience working with state and other agencies and owners of CDBG, HOME, HUD and other affordable housing projects, and have an in-depth understanding of all of the issues that may arise in providing these services.

AmeriNational has over 66,000 single family, multifamily, and commercial/economic development loans in its servicing portfolio, with a principal balance in excess of \$5.5 billion. We have also provided underwriting services for thousands of single family affordable housing loans and over 250 actively reporting multifamily affordable housing loans ranging in size from \$5,000 to \$20,000,000, which were financed by taxable and tax-exempt multifamily mortgage revenue bonds, SAIL, HOME, SHIP, EHCL, PLP, RRLP, CDBG, SHIP, NSP and Housing Credits. AmeriNational has provided federal labor standards (Davis Bacon) wage compliance monitoring for over 350 developments throughout the nation.

Our experience has enabled us to provide programs tailored to meet the requirements of our valued clients. The City 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.
- ▶ **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 can make their loan payments online. 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 City 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 is an approved servicer for:

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

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

- ▶ **Single Family Loan Processing and Underwriting:** Includes preliminary application screening, analysis and review of submitted application packages for approval, Preliminary Risk Analysis generation and final underwriting based on the client's approved underwriting guidelines.
- ▶ **Multifamily Credit Underwriting:** Includes the full analysis and underwriting of multifamily developments, concluding on compliance with programmatic rule and LIHTC or other funding source requirements, analyses of sources and uses of funds and debt service coverage, market need, experience and qualifications of the development team, resources of partners involved, and financial strength and feasibility.
- ▶ **Single Family Loan Document Preparation:** Includes preparation of loan documents, execution of any and all security documentation, and the filing appropriate lien documentation on real and personal property.
- ▶ **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.

### **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
- 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.

### **References:**

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

Client Information	Contact Person	Service Description	Service Years
City of Calexico 608 Herber Ave. Calexico, CA 92231	Veronica Luna Housing Specialist Phone: (760) 768-2177 <a href="mailto:rluna@calexico.ca.gov">rluna@calexico.ca.gov</a>	Loan Portfolio Management	2001 – Present
City of Costa Mesa Housing and Community Development 77 Fair Drive Costa Mesa, CA 92628	Jacqueline Y. Reeves Management Analyst City of Costa Mesa Phone: (714) 754-4870 <a href="mailto:jacquie.reeves@costamesaca.gov">jacquie.reeves@costamesaca.gov</a>	Loan Portfolio Management, Loan Processing & Underwriting, Loan Document Preparation	1998 - Present
City of La Mirada 13700 La Mirada Blvd. La Mirada, CA 90638	Diana Ruedas, Housing Technician II Phone: (562) 943-0131 ext. 2956 <a href="mailto:druedas@cityoflarmirada.org">druedas@cityoflarmirada.org</a>	Loan Portfolio Management, Loan Processing & Underwriting, Loan Document Preparation	2007 – Present
City of Santa Ana Housing & Neighborhood Development 20 Civic Center Plaza M-26 Santa Ana, CA 92701	Claudia Shaw Loan Specialist Phone: (714) 667-2265 <a href="mailto:chsaw@santa-ana.org">chsaw@santa-ana.org</a>	Loan Portfolio Management, Loan Processing & Underwriting, Loan Document Preparation, Wage Compliance	1983 - Present

**B. Relevant Education:**

AmeriNational engages in continual training and industry education and stays abreast of the ever-changing regulations and practices in the loan servicing arena.

**C. Responsiveness to Project Requirements:**

AmeriNational is currently providing and is able to continue to provide the scope of work requested by the City. Further detail of these services is provided in the “Proposed Scope of Work” section of this proposal. Working with over 225 clients, we are intimately familiar with the relevant government funding requirements, reporting objectives and program standards to which our clients must adhere.

#### D. Proximity to Project:

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

#### E. Affirmative Action

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 personnel policy manual with an affirmative action plan and grievance procedure. We have a non-discrimination policy in place which is acknowledged by every employee. We also offer diversity training for which attendance is required by all supervisory and management personnel on an annual basis. Our servicing practices are designed to encourage professional service and to appreciate and respond appropriately to

diversity within our service team, amongst our clients, and to our borrowers. We work across the United States and therefore are familiar with varying nationalities and minority groups. We maintain numerous staff members fluent in Spanish. Our training programs include various modules focused on sensitivity training and diversity.

## **F. 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 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.

# Proposed Scope of Work

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## 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 City'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 City 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 City monthly net of fees and other authorized charges due to AmeriNational.
3. Payment of Property Taxes: At the City'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 City 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 City'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 City request alternative handling of loan accounts with escrow payment increases, this may result in the City incurring extraordinary services charges.

If the City 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 City'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 City 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 City'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 City 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 City, 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 City.

### **Account Inquiries**

Borrowers and City have 24-hour electronic access to their loan information via AmeriNational's Website at [www.amerinternational.net](http://www.amerinternational.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 City's request.
2. Loan Amortization Schedules: AmeriNational will provide Loan Amortization Schedules for any loan at the City's request.
3. 1098 Tax Forms: Pursuant to IRS regulations and, on behalf of the City, AmeriNational will submit required 1098 tax form for any and all borrowers paying interest on any City 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 City's request.

### **Loan Transfer**

In the event the City requires AmeriNational to transition loans back to the City 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 City'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 City'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 City online through our Internet LoanLink service. Through LoanLink, the City 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 soft-copy report forwarded monthly to the City.*
2. Current Month Reconciliation Report: This report serves as reconciliation for the loan payments remitted by borrowers.  
*Frequency: Available on-line, one soft-copy report, along with ACH remittance advice, forwarded to the City within ten working days of the close of the month.*
3. Delinquent Aging Report: This report reflects delinquent accounts at the 30, 60, 90, and over 90 day levels. Borrower accounts moved into the forbearance or foreclosure process are designated.  
*Frequency: Available on-line, one soft-copy report forwarded monthly to the City.*
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 City 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 City 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 City'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 City:

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 City. Formal modifications to promissory note terms and forbearance plans of greater than six months duration are forwarded to the City for pre-approval. Before the borrower executes the agreement, the City 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 City'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 City 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 City'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 City's modification program guidelines. This analysis will reflect information such as affordability (debt-to-income ratio), status of 1<sup>st</sup> 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 City. The recommendation along with the supporting documentation will be sent to the City for approval.
4. **Approval:** Once a loan modification has been approved, either the City 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 City 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 City'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 City. If no response is received within 30 days, AmeriNational will advise the City of the non-response. Upon the City'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 City less foreclosure fees and any previously un-reimbursed costs incurred.

In the event the borrower reinstates the loan, AmeriNational will remit to the City 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 City of a Chapter 13 bankruptcy for a debtor serviced by AmeriNational, AmeriNational will forward a notification letter to the City 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 City 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 City, the Motion to Lift will be filed by AmeriNational and AmeriNational will begin foreclosure proceedings as directed by the City.

#### **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 City, indicating total amount due.

### **Subordination Processing**

1. **Subordination Request Package**: The City, 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 City may require the borrower to pay the cost of the subordination processing at application or the City 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 City's subordination policy and that the City'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 City 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 City's approval of a request for subordination, the City will forward to borrower's lender or Title Company:
  - a. Completed and executed Subordination Agreement between the City 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 City 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 City's program requirements for income.
  - Forward re-verification report to the City, with a recommendation for continued deferral or amortization.
  - If the recommendation is to amortize the loan, and the City approves, AmeriNational will prepare necessary loan documents (additional charges will apply). The loan documents will be forwarded to the City for borrower and City 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 City) 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 City'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 City 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 City.

### **Project Personnel and their Availability:**

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 have established robust hiring criteria, background checks and screening processes, and maintain a supervisor to staff ratio that ensures sufficient oversight, mentoring and feedback.

AmeriNational is committed to product leadership, operating excellence and customer intimacy. We are a “customer driven” service firm. This means that for every interaction we have with our clients and borrowers our goal is to provide the highest level of attention to reach a satisfactory outcome as soon as possible. To reach this goal we have established a separate Service Support Center to serve the specific needs of our clients and a Borrower Services Center to serve the specific needs of the borrowers. Customer service and collection staff is available by telephone through our toll-free number at 1-800-943-1988 between the hours of 5:00 AM and 5:00 PM Pacific 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.

AmeriNational staff is always available to the client and the borrower to discuss any concerns or questions. Twenty-two (22) members of our staff are fluent in Spanish. Our managers are empowered to make decisions “on the spot” to ensure client and borrower satisfaction.

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

The managers and supervisors listed below and on the following page will be assigned to the City’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 City in accordance with its servicing manual.

<b>Staff member</b>	<b>Job Title/Classification</b>	<b>Role</b>
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**

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**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><b>AmeriNational Community Services</b></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 government sponsored events to promote a responsible, effective and valued servicing industry, and promotes affordable housing opportunities nationwide through government, 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><b>American Bank and its predecessor Americana National Bank</b></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 government 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**

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**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 Corps.

**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 government 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**

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**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**

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**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.

<b>PROFESSIONAL EXPERIENCE</b>	
2013 – Present	<p><b>AmeriNational Community Services</b></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><b>Carrington Capital Management, LLC</b></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><b>Greenlight Financial</b></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>

### **Wells Fargo Home Mortgage**

2002 – 2005

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**

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**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.

<b>PROFESSIONAL EXPERIENCE</b>	
2014 – Present	<p><b>AmeriNational Community Services</b></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><b>PMAC Lending Services</b></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><b>Kondaur Capital Corporation</b></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.

<b>PROFESSIONAL EXPERIENCE</b>	
2007 – Present	<p><b>AmeriNational Community Services</b></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><b>Financial Partners Credit Union</b></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><b>Security Pacific National Bank</b></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**

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**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**

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**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.

# Cost of Proposed Services

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## Loan Portfolio Management

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

The set-up fees above are based on City'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:** \$15.50 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 date of new contract:

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: \$2.15 per loan per month
- iii. Warehouse and monitor of taxes and/or insurance: \$2.75 per loan per month plus a one-time tax service vendor fee.

- iv. Warehouse and escrow of taxes and/or insurance: \$14.00 per loan per month plus a one-time tax service vendor fee.
- v. Flat fee for receiving occasional payments on deferred loans: \$14.00 per payment

**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 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 City.

**Forbearance Plans:**

AmeriNational will charge a flat fee of \$375.00 per loan per occurrence will be charged to institute a formal forbearance plan (usually in excess of 6 months in duration and with approval of the City). The City 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 City.

**Loan Modifications:**

If requested by the City, AmeriNational will charge the following fees for a Loan Modification Analysis:

- |   |          |
|---|----------|
| 1. Preliminary Screening and Initial Analysis to the City<br>Due within 30 days of Analysis to the City   | \$165.00 |
| 2. Final Analysis and Recommendation, plus outside costs *.<br>Due within 30 days of completion of final recommendation   | \$160.00 |
| 3. Loan Document Preparation, plus outside costs *.<br>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:**

AmeriNational will charge a one-time fee of \$410.00 per foreclosure. Out of pockets fees and costs will be passed on to the City. Such fees and costs include, but are not limited to, legal and filing fees.

**Bankruptcy Services:**

- 1. Filing of Proof of Claims Fee: \$100 per occurrence
- 2. Filing of Reaffirmation Agreements Fee: \$75 for each occurrence
- 3. Monitoring and Repayments Fee: \$12 per loan per month
- 4. Filing of Lift Stays Fee: \$175 per occurrence

Out-of-pocket fees and costs will be passed on to the City. Such fees and costs include, but are not limited to, obtaining local council in the bankruptcy jurisdiction and as approved by the City.

**Income Re-verifications:**

A \$250 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 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:**

- Subordinations: \$360.00 per subordination
- 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, \$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 City request additional research to be conducted, or if the City 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 City before the research is conducted.

When research is conducted at the request of the City because of a discrepancy between the City'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 City 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 City 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 City. Additional compensation for such service(s) shall be allowed as agreed upon in writing by both City and AmeriNational.

# Attachment “3”

## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 17th day of May, 2016, by and between the City of Calexico ("City") and AmeriNational Community Services ("Consultant").

### RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

### AGREEMENT

1. Scope of Services. The Consultant shall furnish the following services in a professional manner. Consultant shall perform the services described on Exhibit A which is attached hereto and incorporated herein by reference. Consultant shall provide said services at the time, place, and in the manner specified in Exhibit A, subject to the direction of the City through its staff that it may provide from time to time.

2. Time of Performance. The services of Consultant are to commence upon execution of this Agreement and shall continue until all authorized work is approved by the City. All such work shall be completed no later than *May 18, 2019*. Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the City.

3. Compensation. Compensation to be paid to Consultant shall be as set forth in Exhibit B, which is attached hereto and incorporated herein by reference. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to the City at the time of payment.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the

property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request.

6. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

7. Interest of Consultant. Consultant (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by and during this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official, other than normal agreement monitoring; and
- b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)

8. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

9. Indemnity. Consultant agrees to indemnify, including the cost to defend, the City, and its officers, agents and employees from any and all claims, demands, costs or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant and its agents in the performance of services under this contract. This indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence, willful misconduct or defects in design by

the City or its agents, servants, or independent contractors who are directly responsible to the City, or the active negligence of the City.

To the fullest extent permitted by law, the Consultant shall (1) immediately defend and (2) indemnify the City, and its councilmembers, officers, agents, and employees from and against all liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, or its employees, agents, or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The Consultant's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability.

(b) The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the City, the City and its councilmembers, officers, agents, and employees, immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination that persons other than Consultant are responsible for the claim does not relieve Consultant from its separate and distinct obligation to defend under this section. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes an obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the indemnified party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of an indemnified party, Consultant may submit a claim to the City for reimbursement of reasonable attorneys' fees and defense costs in proportion to the established comparative liability of the indemnified party.

(c) The review, acceptance or approval of the City's work or work product by any indemnified party shall not affect, relieve or reduce the City's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

#### 10. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her

employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

ii. General Liability Coverage. Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

iv. Errors and Omissions Liability. Consultant shall maintain errors and omissions liability insurance for all work performed under this Agreement in an amount of not less than one million dollars (\$1,000,000).

b. Policy Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. The City of Calexico, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

iv. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.

v. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days written notice has been received by the City.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

d. Certificates of Insurance and Endorsements. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

11. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

12. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall obtain a City of Calexico Business License.

13. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Imperial, California.



16. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

17. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

18. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

19. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

20. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.

21. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination.

**\*\*\*SIGNATURES ON FOLLOWING PAGE\*\*\***

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF CALEXICO:

CONSULTANT:

\_\_\_\_\_  
Nick Fenley  
Interim City Manager

\_\_\_\_\_  
AmeriNational Community Services

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Carlos Campos  
Interim City Attorney

\_\_\_\_\_  
Gabriela Garcia  
Deputy City Clerk

**EXHIBIT A**

**SCOPE OF SERVICES**

(proposal dated April 11, 2016)

# Exhibit "A"

Exhibit "A"  
Original



## PROPOSAL TO PROVIDE SERVICES

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Request for Proposals for Loan Servicing Services for:  
Housing Rehabilitation, First Time Home Buyer, and  
Microenterprise Loan Portfolios  
City of Calexico, CA



d/b/a AmeriNat<sup>®</sup> in KY, GA, and FL

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

April 11, 2016

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

April 11, 2016

City of Calexico  
Housing and Economic Development Department  
Attn: Julia Osuna, Interim Housing and Economic Development Manager  
608 Herber Avenue  
Calexico, CA 92231

AmeriNational Community Services ("AmeriNational") is pleased to offer the City of Calexico ("City") a comprehensive solution and proven solution for its loan portfolio needs.

We are able to offer the City a comprehensive and proven solution for its loan portfolio needs. AmeriNational is an experienced loan underwriter and servicer providing the tasks of payment collection, processing and remittance, delinquency notices, escrow administration, 1098 reporting, collection services and other back-office functions necessary in effectively administering a loan program. We also provide, via our LoanLink solution, a robust loan accounting database accessible 24/7/365 over the internet, literally at the City's fingertips, containing standard and customizable investor reports and providing all borrower activity and loan history

As the City's current service provider, we are familiar with your staff and your underwriting and servicing requirements. We thank the City for allowing us to service your portfolio needs since 2001, and look forward to continuing our relationship with you. We work to constantly enhance our services, providing more flexibility and better customer service, and appreciate our clients who will challenge us to grow along with them in the coming years.

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](mailto:athorson@amerinational.net) or Tim O'Malley, Sr. VP of Sales and Marketing at (410) 644-3901 ext. 1417 or via email at [tomalley@amerinational.net](mailto:tomalley@amerinational.net).

Sincerely,



Adrienne Thorson  
Chairperson, CEO/CFO

# Statement of Qualifications

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## A. Relevant Experience:

AmeriNational has specialized in servicing loans made by Housing and Economic Divisions, cities and other governmental agencies under government-sponsored affordable housing programs throughout the United States for over 40 years. We have direct experience working with state and other agencies and owners of CDBG, HOME, HUD and other affordable housing projects, and have an in-depth understanding of all of the issues that may arise in providing these services.

AmeriNational has over 66,000 single family, multifamily, and commercial/economic development loans in its servicing portfolio, with a principal balance in excess of \$5.5 billion. We have also provided underwriting services for thousands of single family affordable housing loans and over 250 actively reporting multifamily affordable housing loans ranging in size from \$5,000 to \$20,000,000, which were financed by taxable and tax-exempt multifamily mortgage revenue bonds, SAIL, HOME, SHIP, EHCL, PLP, RRLP, CDBG, SHIP, NSP and Housing Credits. AmeriNational has provided federal labor standards (Davis Bacon) wage compliance monitoring for over 350 developments throughout the nation.

Our experience has enabled us to provide programs tailored to meet the requirements of our valued clients. The City 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.
- ▶ **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 can make their loan payments online. 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 City 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 is an approved servicer for:

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

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

- ▶ **Single Family Loan Processing and Underwriting:** Includes preliminary application screening, analysis and review of submitted application packages for approval, Preliminary Risk Analysis generation and final underwriting based on the client's approved underwriting guidelines.
- ▶ **Multifamily Credit Underwriting:** Includes the full analysis and underwriting of multifamily developments, concluding on compliance with programmatic rule and LIHTC or other funding source requirements, analyses of sources and uses of funds and debt service coverage, market need, experience and qualifications of the development team, resources of partners involved, and financial strength and feasibility.
- ▶ **Single Family Loan Document Preparation:** Includes preparation of loan documents, execution of any and all security documentation, and the filing appropriate lien documentation on real and personal property.
- ▶ **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.

### **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
- 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.

### **References:**

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

Client Information	Contact Person	Service Description	Service Years
City of Calexico 608 Herber Ave. Calexico, CA 92231	Veronica Luna Housing Specialist Phone: (760) 768-2177 <a href="mailto:rluna@calexico.ca.gov">rluna@calexico.ca.gov</a>	Loan Portfolio Management	2001 – Present
City of Costa Mesa Housing and Community Development 77 Fair Drive Costa Mesa, CA 92628	Jacqueline Y. Reeves Management Analyst City of Costa Mesa Phone: (714) 754-4870 <a href="mailto:jacque.reeves@costamesaca.gov">jacque.reeves@costamesaca.gov</a>	Loan Portfolio Management, Loan Processing & Underwriting, Loan Document Preparation	1998 - Present
City of La Mirada 13700 La Mirada Blvd. La Mirada, CA 90638	Diana Ruedas, Housing Technician II Phone: (562) 943-0131 ext. 2956 <a href="mailto:druedas@cityoflarmirada.org">druedas@cityoflarmirada.org</a>	Loan Portfolio Management, Loan Processing & Underwriting, Loan Document Preparation	2007 – Present
City of Santa Ana Housing & Neighborhood Development 20 Civic Center Plaza M-26 Santa Ana, CA 92701	Claudia Shaw Loan Specialist Phone: (714) 667-2265 <a href="mailto:chsaw@santa-ana.org">chsaw@santa-ana.org</a>	Loan Portfolio Management, Loan Processing & Underwriting, Loan Document Preparation, Wage Compliance	1983 - Present

**B. Relevant Education:**

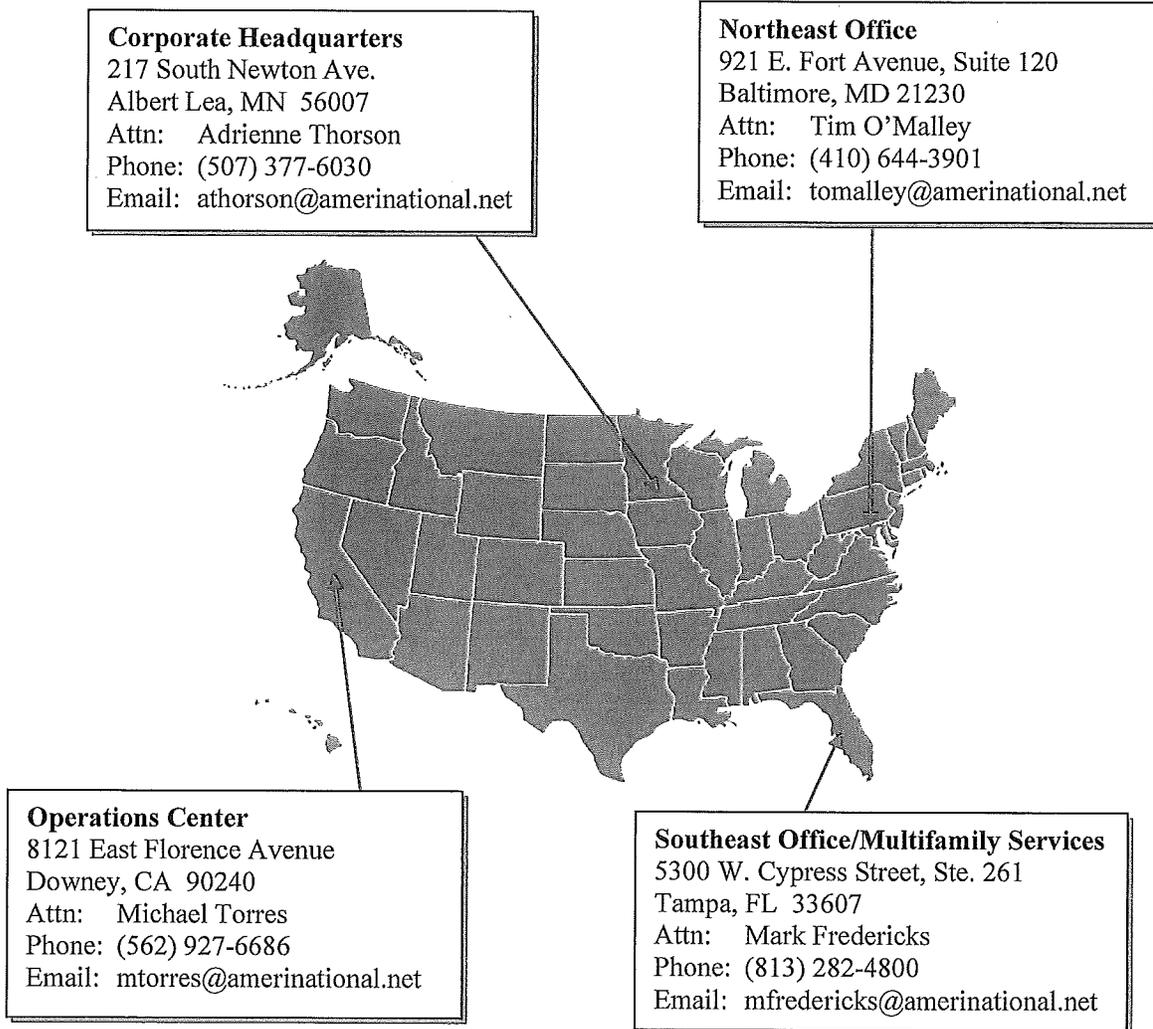
AmeriNational engages in continual training and industry education and stays abreast of the ever-changing regulations and practices in the loan servicing arena.

**C. Responsiveness to Project Requirements:**

AmeriNational is currently providing and is able to continue to provide the scope of work requested by the City. Further detail of these services is provided in the “Proposed Scope of Work” section of this proposal. Working with over 225 clients, we are intimately familiar with the relevant government funding requirements, reporting objectives and program standards to which our clients must adhere.

#### D. Proximity to Project:

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.



#### E. Affirmative Action

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 personnel policy manual with an affirmative action plan and grievance procedure. We have a non-discrimination policy in place which is acknowledged by every employee. We also offer diversity training for which attendance is required by all supervisory and management personnel on an annual basis. Our servicing practices are designed to encourage professional service and to appreciate and respond appropriately to

diversity within our service team, amongst our clients, and to our borrowers. We work across the United States and therefore are familiar with varying nationalities and minority groups. We maintain numerous staff members fluent in Spanish. Our training programs include various modules focused on sensitivity training and diversity.

## **F. 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 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.

# Proposed Scope of Work

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## 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 City'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 City 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 City monthly net of fees and other authorized charges due to AmeriNational.
3. Payment of Property Taxes: At the City'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 City 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 City'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 City request alternative handling of loan accounts with escrow payment increases, this may result in the City incurring extraordinary services charges.

If the City 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 City'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 City 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 City'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 City 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 City, 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 City.

### **Account Inquiries**

Borrowers and City have 24-hour electronic access to their loan information via AmeriNational's Website at [www.amerinational.net](http://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 City's request.
2. **Loan Amortization Schedules:** AmeriNational will provide Loan Amortization Schedules for any loan at the City's request.
3. **1098 Tax Forms:** Pursuant to IRS regulations and, on behalf of the City, AmeriNational will submit required 1098 tax form for any and all borrowers paying interest on any City 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 City's request.

### **Loan Transfer**

In the event the City requires AmeriNational to transition loans back to the City 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 City'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 City'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 City online through our Internet LoanLink service. Through LoanLink, the City 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 soft-copy report forwarded monthly to the City.*
2. Current Month Reconciliation Report: This report serves as reconciliation for the loan payments remitted by borrowers.  
*Frequency: Available on-line, one soft-copy report, along with ACH remittance advice, forwarded to the City within ten working days of the close of the month.*
3. Delinquent Aging Report: This report reflects delinquent accounts at the 30, 60, 90, and over 90 day levels. Borrower accounts moved into the forbearance or foreclosure process are designated.  
*Frequency: Available on-line, one soft-copy report forwarded monthly to the City.*
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 City 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 City 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 City'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 City:

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 City. Formal modifications to promissory note terms and forbearance plans of greater than six months duration are forwarded to the City for pre-approval. Before the borrower executes the agreement, the City 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 City'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 City 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 City'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 City's modification program guidelines. This analysis will reflect information such as affordability (debt-to-income ratio), status of 1<sup>st</sup> 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 City. The recommendation along with the supporting documentation will be sent to the City for approval.
4. **Approval:** Once a loan modification has been approved, either the City 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 City 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 City'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 City. If no response is received within 30 days, AmeriNational will advise the City of the non-response. Upon the City'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 City less foreclosure fees and any previously un-reimbursed costs incurred.

In the event the borrower reinstates the loan, AmeriNational will remit to the City 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 City of a Chapter 13 bankruptcy for a debtor serviced by AmeriNational, AmeriNational will forward a notification letter to the City 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 City 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 City, the Motion to Lift will be filed by AmeriNational and AmeriNational will begin foreclosure proceedings as directed by the City.

#### **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 City, indicating total amount due.

### **Subordination Processing**

1. **Subordination Request Package:** The City, 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 City may require the borrower to pay the cost of the subordination processing at application or the City 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 City's subordination policy and that the City'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 City 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 City's approval of a request for subordination, the City will forward to borrower's lender or Title Company:
  - a. Completed and executed Subordination Agreement between the City 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 City 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 City's program requirements for income.
  - Forward re-verification report to the City, with a recommendation for continued deferral or amortization.
  - If the recommendation is to amortize the loan, and the City approves, AmeriNational will prepare necessary loan documents (additional charges will apply). The loan documents will be forwarded to the City for borrower and City 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 City) 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 City'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 City 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 City.

**Project Personnel and their Availability:**

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 have established robust hiring criteria, background checks and screening processes, and maintain a supervisor to staff ratio that ensures sufficient oversight, mentoring and feedback.

AmeriNational is committed to product leadership, operating excellence and customer intimacy. We are a “customer driven” service firm. This means that for every interaction we have with our clients and borrowers our goal is to provide the highest level of attention to reach a satisfactory outcome as soon as possible. To reach this goal we have established a separate Service Support Center to serve the specific needs of our clients and a Borrower Services Center to serve the specific needs of the borrowers. Customer service and collection staff is available by telephone through our toll-free number at 1-800-943-1988 between the hours of 5:00 AM and 5:00 PM Pacific 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.

AmeriNational staff is always available to the client and the borrower to discuss any concerns or questions. Twenty-two (22) members of our staff are fluent in Spanish. Our managers are empowered to make decisions “on the spot” to ensure client and borrower satisfaction.

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

The managers and supervisors listed below and on the following page will be assigned to the City’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 City in accordance with its servicing manual.

<b>Staff member</b>	<b>Job Title/Classification</b>	<b>Role</b>
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**

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**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**

**AmeriNational Community Services**

1998 – Present

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.

She participates frequently in industry building initiatives through private enterprise and government sponsored events to promote a responsible, effective and valued servicing industry, and promotes affordable housing opportunities nationwide through government, non-profit and for-profit sectors.

Adrienne is also the management representative on the firm's Audit Committee.

**American Bank and its predecessor Americana National Bank**

1998 – 2004  
2008 – 2010

From 2008 through 2010 Adrienne served as the Market President for the Community Banking division of American Bank.

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.

**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 government 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**

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**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 Corps.

**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 government 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**

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**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**

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**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.

<b>PROFESSIONAL EXPERIENCE</b>	
2013 – Present	<p><b>AmeriNational Community Services</b></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><b>Carrington Capital Management, LLC</b></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><b>Greenlight Financial</b></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>

### **Wells Fargo Home Mortgage**

2002 – 2005

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**

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**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.

<b>PROFESSIONAL EXPERIENCE</b>	
2014 – Present	<p><b>AmeriNational Community Services</b></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><b>PMAC Lending Services</b></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><b>Kondaur Capital Corporation</b></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**

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**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.

<b>PROFESSIONAL EXPERIENCE</b>	
2007 – Present	<p><b>AmeriNational Community Services</b></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><b>Financial Partners Credit Union</b></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><b>Security Pacific National Bank</b></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**

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**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**

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**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.

**EXHIBIT B**  
**SCHEDULE OF CHARGES**

# Exhibit “B”

# Cost of Proposed Services

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## Loan Portfolio Management

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

The set-up fees above are based on City'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:** \$15.50 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 date of new contract:

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: \$2.15 per loan per month
- iii. Warehouse and monitor of taxes and/or insurance: \$2.75 per loan per month plus a one-time tax service vendor fee.

- iv. Warehouse and escrow of taxes and/or insurance: \$14.00 per loan per month plus a one-time tax service vendor fee.
- v. Flat fee for receiving occasional payments on deferred loans: \$14.00 per payment

**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 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 City.

**Forbearance Plans:**

AmeriNational will charge a flat fee of \$375.00 per loan per occurrence will be charged to institute a formal forbearance plan (usually in excess of 6 months in duration and with approval of the City). The City 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 City.

**Loan Modifications:**

If requested by the City, AmeriNational will charge the following fees for a Loan Modification Analysis:

- |   |          |
|---|----------|
| 1. Preliminary Screening and Initial Analysis to the City<br>Due within 30 days of Analysis to the City   | \$165.00 |
| 2. Final Analysis and Recommendation, plus outside costs *.<br>Due within 30 days of completion of final recommendation   | \$160.00 |
| 3. Loan Document Preparation, plus outside costs *.<br>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:**

AmeriNational will charge a one-time fee of \$410.00 per foreclosure. Out of pockets fees and costs will be passed on to the City. Such fees and costs include, but are not limited to, legal and filing fees.

**Bankruptcy Services:**

- 1. Filing of Proof of Claims Fee: \$100 per occurrence
- 2. Filing of Reaffirmation Agreements Fee: \$75 for each occurrence
- 3. Monitoring and Repayments Fee: \$12 per loan per month
- 4. Filing of Lift Stays Fee: \$175 per occurrence

Out-of-pocket fees and costs will be passed on to the City. Such fees and costs include, but are not limited to, obtaining local council in the bankruptcy jurisdiction and as approved by the City.

**Income Re-verifications:**

A \$250 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 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:**

- Subordinations: \$360.00 per subordination
- 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, \$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 City request additional research to be conducted, or if the City 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 City before the research is conducted.

When research is conducted at the request of the City because of a discrepancy between the City'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 City 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 City 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 City. Additional compensation for such service(s) shall be allowed as agreed upon in writing by both City and AmeriNational.

**EXHIBIT C**

**CERTIFICATE OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE**

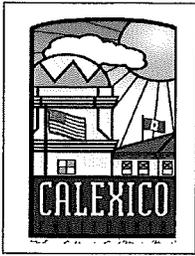
I hereby certify that in the performance of the work for which this Agreement is entered into, I shall not employ any person in any manner so as to become subject to the Workers' Compensation Laws of the State of California.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, at \_\_\_\_\_,  
California.

\_\_\_\_\_  
**Consultant- AmeriNational Community Services**

**AGENDA  
ITEM**

**20**



# AGENDA STAFF REPORT

**DATE:** May 17, 2016

**TO:** Mayor and City Council

**APPROVED BY:** Nick Fenley, Interim City Manager 

**PREPARED BY:** Gabriela T. Garcia, Deputy City Clerk 

**SUBJECT:** Appointment by Mayor and Council Members to Various Commissions, Boards and Committees:

- a) Business Improvement District – Appointments by Mayor Kim & Council Member Hurtado
- b) Recreation Commission – Appointments by Mayor Kim & Council Member Real
- c) Financial Advisory Board – Appointments by Council Member Hurtado
- d) Senior Citizens Commission – Appointment by Council Member Moreno
- e) Street Naming Committee – Appointments by Council Members Real & Moreno
- f) Historical Commission – Appointment by Council Member Hurtado
- g) Beautification Commission – Appointments by Council Members Real & Hurtado
- h) Library Board – Appointment by Council Members Castro & Real
- i) Police Advisory Commission - Appointment by Council Member Real & Castro
- j) Planning Commission - Appointment by Council Member Real
- k) Measure H Committee - Appointments by Council Members Real & Hurtado

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**Recommendation:**

Mayor and Council Members to make appointments to vacant positions on Commissions, Boards and Committees listed above.

**Background:**

The vacancies listed above are for various City Commissions, Boards and Committees due to resignations, lack of attendance by commissioners and due to Commissioners running for office in the upcoming June election.

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**Discussion & Analysis:**

The vacant positions have been advertised Calexico website, City Hall and Camarena Library.

The following persons submitted applications:

1. Jose Jesus Iñiguez – Measure H Committee
2. Jose L. Yopez Jr. – Planning Commission

**Fiscal Impact:**

None.

**Coordinated With:**

None.

**Attachment:**

1. Applications (2)



**CITY OF CALEXICO**  
**APPLICATION FOR CITY COMMISSION**  
 And  
**STATEMENT OF QUALIFICATIONS**

ALL APPLICANTS MUST EITHER  
 RESIDE, BE EMPLOYED, OR  
 REGISTERED TO VOTE IN THE CITY  
 OF CALEXICO . PROOF IS  
 REQUIRED WHEN SUBMITTING  
 THIS APPLICATION.

**APPLICATION IS FOR THE FOLLOWING COMMISSION:**  
 (A separate application is required for each commission)

Measure H

**PERSONAL INFORMATION:**

Name Jose Jesus INIGUEZ

Residence Address 960 G ANAYA AVE

Length of time at this Address: 6 yrs E-mail address: JINIGUEZ@IID.COM

Home Phone No. (760) 592-5247 Cell/Message Phone No. (760) 427-5879

Are you 18 years of age or older? 56 Are you registered to vote in the City of Calexico? YES

Do you currently serve as an elected or appointed official for any board and/or agency within the City of Calexico? \_\_\_\_\_  
 If yes, name of agency and position: PRESIDENT OF DESERT SUN GIRLS SOFTBALL

**EDUCATION:** Highest level of education completed: IVC

Name of Institution where Highest Level of Education was completed: 2 year of community college

Location of Institution: Imperial, CA

**EMPLOYMENT INFORMATION / EXPERIENCE:**

City of Calexico		
Name and Address of Employer (s)	Position Title	Dates of Employment
<u>Imperial Irrigation District</u>	<u>Water Conservation tech.</u>	<u>10/20/1987</u>

**IMPORTANT:** Read the following carefully and answer completely. A conviction is not an automatic bar to appointment. Each case is considered on its individual merits.

**HAVE YOU EVER BEEN CONVICTED OF A FELONY OR MISDEMEANOR OTHER THAN A MINOR TRAFFIC VIOLATION?** NO.  
 If yes, Please list all offenses, date and place of offenses(s), and the sentence/fine received:

\_\_\_\_\_

**ACKNOWLEDGMENT/CERTIFICATION:**  
 I understand that upon filing, this application becomes a public record. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Jose J. Iniguez  
**Signature and Date**

Do Not Write Below this Line - For City Use Only

Applicant furnished proof of eligibility requirements via:

Proof of residency:  Yes  No  
 Proof of employment:  Yes  No  
 Voter Registration Verification:  Yes  No

Appointment By: \_\_\_\_\_  
 Term Expires: \_\_\_\_\_  
 Date & Clerk Verifying: 5/5/16 [Signature]



**CITY OF CALEXICO**  
**APPLICATION FOR CITY COMMISSION**  
 And  
**STATEMENT OF QUALIFICATIONS**

ALL APPLICANTS MUST EITHER RESIDE, BE EMPLOYED, OR REGISTERED TO VOTE IN THE CITY OF CALEXICO. PROOF IS REQUIRED WHEN SUBMITTING THIS APPLICATION.

**APPLICATION IS FOR THE FOLLOWING COMMISSION:**  
 (A separate application is required for each commission)

Planning Commissioner

**PERSONAL INFORMATION:**

Name Jose L. Yopez Jr.

Residence Address 1113 Rainbow Ave

Length of time at this Address: 22 yrs E-mail address: desertbuilding@gmail.com

Home Phone No. 760-483-6645 Cell/Message Phone No. 760-483-6645

Are you 18 years of age or older? Yes Are you registered to vote in the City of Calexico? YES

Do you currently serve as an elected or appointed official for any board and/or agency within the City of Calexico? NO  
 If yes, name of agency and position: \_\_\_\_\_

**EDUCATION:** Highest level of education completed: Colledge

Name of Institution where Highest Level of Education was completed: CETYS

Location of Institution: Mexicali. B.C. Mexico

**EMPLOYMENT INFORMATION / EXPERIENCE:**

City of Calexico

Name and Address of Employer (s)	Position Title	Dates of Employment
<u>Desert Building &amp; Design, Inc</u> <u>1113 Rainbow Ave. Calexico</u>	<u>President</u>	<u>NOV / 2007</u>

**IMPORTANT:** Read the following carefully and answer completely. A conviction is not an automatic bar to appointment. Each case is considered on its individual merits.

**HAVE YOU EVER BEEN CONVICTED OF A FELONY OR MISDEMEANOR OTHER THAN A MINOR TRAFFIC VIOLATION?** NO  
 If yes, Please list all offenses, date and place of offenses(s), and the sentence/fine received:

**ACKNOWLEDGMENT/CERTIFICATION:**  
 I understand that upon filing, this application becomes a public record. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Jose Lopez Jr. / 4/25/16  
 Signature and Date

Do Not Write Below this Line – For City Use Only

Applicant furnished proof of eligibility requirements via:

Proof of residency:  Yes  No  
 Proof of employment:  Yes  No  
 Voter Registration Verification:  Yes  No

Appointment By: \_\_\_\_\_  
 Term Expires: \_\_\_\_\_  
 Date & Clerk Verifying: [Signature] 4/25/16

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# City of Calexico

## Finance Department

608 HEBER AVENUE

● CALEXICO, CA 92231 ●

(760) 768-2130

### UPDATE ON CITY AUDIT THROUGH 5/13/16:

The City's audit for FY 2014-15 is approximately 75% completed. The following areas of the financial reporting have been completed:

- Accounts Payable
- Payroll and Related Liabilities, Compensated Absences & OPEB and Related Disclosures
- Pre-Paid Inventories
- Interest Payable for loans to and from the City
- Long Term Debt

Minor work needed to complete:

- Accounts Receivable
- Notes Receivable
- Cash

Expected to complete next week:

- TDA Reports
- Fixed Assets Inventory & Depreciation Schedules

Single Audit (Federal Grant Audit)- review is progressing well, auditors to continue fieldwork week of 5/24/16

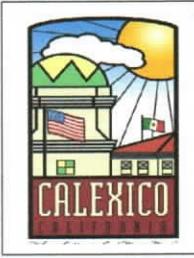
In spite of the accounting difficulties the City has been experiencing in the past, the audit is going well. The auditors will be here next week to complete their field work.

Respectfully Submitted,

**Eduardo Gutierrez**  
**Acting Finance Director**

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# AGENDA STAFF REPORT

**DATE:** May 17, 2016

**TO:** Mayor and City Council

**APPROVED BY:** Nick Fenley, Interim City Manager

**PREPARED BY:** Eduardo Gutierrez, Acting Finance Director 

**SUBJECT:** Department Revenue/Expense Comparison Report

=====

**Recommendation:**

Information only, as requested.

**Background:**

Mayor Kim requested a Comparison Report of All City Department's Revenues and Expenditures to compare 2014-15 with 2015-16.

**Discussion & Analysis:**

This report is preliminary, reflecting 10 months of activity for the current fiscal year. We still need to complete the next two months and do accruals for revenues and Expenditures for year end.

**Fiscal Impact:**

None.

**Coordinated With:**

None.

**Attachment:**

- 1. Comparative worksheets.

