

CERTIFICATE OF ACKNOWLEDGMENT OF RECEIPT OF ADDENDUM

THE CITY OF READING

ADDENDUM NO. 1

RFP: Micro – Loan Program- Business Loan Underwriting Services

DUE DATE: 3:00 P.M. Prevailing Time, September 22, 2017

NOTICE

This addendum must be signed, attached to, and returned with your proposal to the City of Reading by the time and date indicated ABOVE:

Q1. Who will serve on the Selection Committee?

A1. The RFP selection committee members have not been named. In addition, the City plans to form a Loan Selection Committee.

Q2. Is there any recourse whatsoever to the firm awarded the contract? E.g., what if a loan goes bad or a loan applicant sues because a loan isn't recommended for approval?

A2. The consultant is required to carry liability insurance. In addition, the consultant is required to adhere to all Fair Lending Laws.

Q3. What is the proposed competitive process the City will use to solicit loan applicants?

A3. The selected consultant will need to make a recommendation to the City regarding any proposed competitive process.

Q4. What are the PaDCED regulations that will govern/apply to the loans? Please email a link, if available.

A4. The selected consultant will be required to consult directly with PA DCED.

Q5. Who will sign the loans for the City? Is there a form of loan agreement and/or security agreements that must be used to comply with City and/or PaDCED requirements?

A5. To be determined. There are no forms available at this time. The selected consultant will be asked to provide the necessary documents.

Q6. Can a lawyer be subcontracted with to close the loans and/or prepare documents?

A6. The selected constant will be required to obtain the City Law Department's approval before subcontracting any legal services.

Q7. What interest rate will the City charge?

A7. 3% interest rate.

Q8. What will be the application fee?

A8. To be determined by the selected consultant and the City.

Q9. Who will pay for credit reports and UCC filings?

A9. It is anticipated that the fees will be paid from the loan application fees.

Q10. Is the only compensation to the firm awarded the contract the "hourly budget" proposed?

A10. Yes.

Q11. What is envisioned in terms of handling defaults? E.g., who will execute on personal guarantees? Confess Judgement? Arrange for sale of pledged collateral? How will "handling defaults" be compensated?

A11. The selected consultant will work with the City Law Department regarding the handling of any defaults, etc.

Q12. If the firm awarded the contract does not recommend approval for a loan, for whatever reason, can the City direct the firm to close that loan and be responsible for "handling defaults"?

A12. The City does not anticipate issuing any loans that the selected consultant does not recommend to award. The City expects the selected consultant to adhere to all Fair Lending Laws and to utilize proper underwriting practices.

I, HEREBY CERTIFY THAT THE CHANGES COVERED BY THIS ADDENDUM HAVE BEEN TAKEN INTO ACCOUNT.

Firm Name (Type or Print)_____

Authorized Signature _____

Title_____

Name (Type or Print)_____

Date_____