



Addendum

Addendum No. 1

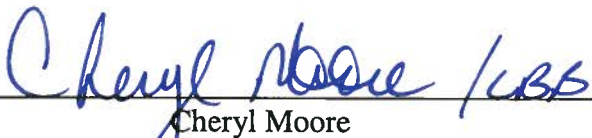
Issued: March 21, 2014

**NEW MARKETS TAX CREDIT ASSET MANAGEMENT AND LOAN SERVICES
DCHE 2014-2**

All respondents shall acknowledge receipt of this addendum, sign below and return it with your bid. **Failure to acknowledge receipt of this addendum may be cause for rejection of your bid.** Respondents are informed that the above named solicitation is modified as follows:

The DC Housing Enterprises submits its responses to all questions received related to the subject solicitation. Please reference the Attachment A.

**All Other Terms and Conditions Remain Unchanged
End of Addendum No. 1**



Cheryl Moore
Interim Contracting Officer

Acknowledgement of Receipt:

Respondent: _____

Name: _____ Title: _____

Question No. 1: Please confirm that the loans for which the contractor will provide Loan Servicing will only be loans to QALICBs and will not be consumer or retail loans to individuals.

Response No. 1 Loans will only be provided to QALCIB's .

Question No. 2: Please provide more detail on the QALICB loans: Average Loan Size, Loan Type ie, business loan or real estate loan, loan term, interest rate type, loan payment frequency.

Response No. 2:

- 10-15 mill average loan size,
- real estate QLICI's
- 30 year loan term,
- 50 – 300 basis points
- Monthly and Quarterly payments.

The above responses represent typical DCHE NMTC QLICI. Terms may vary depending on the deal.

Question No. 3: Please provide more detail as to the total number of QALICB loans to be serviced and the number of new loans originated per month or year.

Response No. 3: We currently have 4 loans that require servicing and project between 3 – 6 new loans over the next 5 years with future allocations.

Question No. 4: Will DCHE have a requirement that the Contractor have a commercial servicing rating from one or more of the nationally recognized Rating Agencies?

Response No. 4: No

Question No. 5: Please discuss any requirements related to the Contractor providing an annual SOC1 report.

Response No. 5: N/A

Question No. 6: How will commercial servicing experience be weighted versus experience strictly related to servicing NMTC loans?

Response No. 6: The evaluation factor for experience with loan servicing for NMTC Portfolios has a weighted factor of 50 points for past experience and knowledge of working with loan servicing for NMTC portfolios.

Question No. 7: Is there an incumbent Contractor that is currently providing loan servicing to DCHE?

Response No. 7: Yes

Question No. 8: Please identify the incumbent Contractor.

Response No. 8: Because of regulations we are not able to disclose that information. You would need to put that request in writing and obtain it from our legal department through the Freedom of Information Act (FOIA).

Question No. 9: B.1.2 – Please explain the difference between NMTC and NMTC-related loans.

Response No. 9: NMTC related loans are other types of loans that were not leveraged or went through the NMTC Structure but went to the NMTC financed project.

Question No. 10: B.1.3 – b) Please clarify whether “manage account activities” refers to managing actual bank accounts or managing loan related data and issues.

Response No. 10: Manage loan related data and issues that may require tracking in actual bank accounts. DCHE provides monthly statements to loan servicer for tracking account activity.

Question No. 11: B.1.3 – c) Please confirm “account activities” refers to actual bank accounts. Will the accounts be at a banking institution of the Contractor’s choosing?

Response No. 11: Account activities refer to DCHE’s Sub-CDE and Investment Fund bank account activities. The banking institution will be selected by DCHE or the NMTC Investor.

Question No. 12: Please provide a description of the anticipated bank account activity.

Response No 12: Review and monitoring of bank statements to confirm wire transfers are accurately processed and to prepare unaudited financial statements and other related financial information for Sub-CDE entities.

Question No. 13: B.1.3 – d) Please describe the anticipated reserve account activity. From where will funds in the reserve accounts come?

Response No. 13: Reserve accounts are funded at closing and go towards covering Sub- CDE fees and may also be established as loan loss reserves for the project.

- Question No. 14: B.1.3 – d) What document will govern the reserve accounts, will funds be invested?
- Response No. 14: Yes, funds would be deposited in a reserve account and a legal document will define the terms for accessing and utilizing the funds.
- Question No. 15: B. B.1.3 – e) Please confirm that the term “financial statements” is intended to mean bank account statements or servicing transaction summary reports and not entity based accounting statements.
- Response No. 15: “Financial Statement” refers to audited and unaudited financial reports consisting of balance sheet, trial balance, general ledger etc.
- Question No. 16: B.1.3 – e) What is meant by “when necessary”? Will these be produced regularly or only upon request?
- Response No. 16: Unaudited financial statements are produced quarterly.
- Question No. 17: B.1.4 – Please indicate whether the invoices will be sent monthly, quarterly or semi-annually.
- Response No. 17: Invoices will be sent monthly and quarterly.
- Question No. 18: B.1.4– Are invoices intended to be delivered electronically or by US Mail?
- Response No. 18: Both, depending on Investor and QALCB’s preference.
- Question No. 19: B.1.4 – For collection of payments, will the Contractor be allowed to be the DCHE’s designated banking institution?
- Response No. 19: DCHE reserves the right to select any banking institution at all times.
- Question No. 20: B.1.4 – If the Contractor is a banking institution, will the Investment Fund be held by the Contractor?
- Response No. 20: The investor is the owner of the investment fund and would likely opt to maintain control of their investment fund.
- Question No. 21: B.1.4 – If not, will the DCHE allow the Contractor to use its accounts for initial payment receipt and clearing, followed by daily deposits to the DCHE’s designated banking institution?
- Response No. 21: No.

Question No. 22: B.1.4 – If the Contractor is a banking institution, could the Contractor expect that a lockbox account would be at the Contractor?

Response No. 22: No.

Question No. 23: B.1.4 – If the lockbox is not held at the contractor, would the lock box fees be paid by the borrower or by the DCHE?

Response No. 23: DCHE does not have a lockbox for NMTC transactions.

Question No. 24: B.1.6 – Please clarify whether the Contractor is expected to provide reports and/or data extracts that will feed DCHE prepared Trail balance, general ledger and so forth, or is the Contractor expected to produce the actual financial statements. Are these items to be produced monthly or quarterly?

Response No. 24: The contractor will provide trial balances, general ledgers and income statements to DCHE for its Sub-CDE's. An accounting firm will utilize the reports prepared by loan servicer to prepare audited financial statements.

Question No. 25: B.1.7 – Is the Contractor expected to provide three (3) 2 hour review sessions over the entire term of the contract, or three (3) 2 hour review sessions for each instance of producing the described financial reports?

Response No. 25: The contractor is expected to provide three (3) 2 hour sessions over the term of the contract.

Question No. 26: The Scope of Services describes mostly Loan Servicing activities. Please provide a description of Asset Management services required.

Response No. 26: DCHE may require consultation or recommendation from loan servicer to assist in identifying issues with timeliness of payments or other issues with borrower.

Question No. 27: C.6.1.1 – Will the DCHE consider pricing proposals presented in terms of a price per loan or in terms of a basis point fee?

Response No. 27: Price per loan would be preferred.

Question No. 28: Will all respondents be provided with or have access to the questions and answers from all respondents?

Response No. 28: Yes.