

**Request for Proposals for Loan Servicing for the City of San Benito / San Benito
Economic Development Corporation, Inc.
Revolving Loan Program**

Project Introduction:

The San Benito Economic Development Corporation, Inc. (SBEDC) is seeking a consulting firm to service a new revolving loan program. The SBEDC is utilizing loan funds from the Intermediary Relending Program of the United States Department of Agriculture as well as matching funds from the City of San Benito. The purpose of the loan program is to support local business and recruit new business in an effort to create new jobs for the community, in particular in the San Benito downtown area. The SBEDC seeks to retain the consulting firm as the program's exclusive servicer to employ commercially reasonable and prudent practices to collect all scheduled payments on all the loans made under the Revolving Loan Program.

The scope of work includes but is not limited to:

- (a) Issuing monthly statements to the borrower directing loan repayment to Servicer;
- (b) Issuing payoff quotes;
- (c) Demand, receive and collect all loan payments and deposit them by the next business day into Servicer's trust account;
- (d) Mail out late payment notices or reminders;
- (e) Issue annual income tax statements to the borrower and lender;
- (f) Answer borrower inquiries, demands and requests;
- (g) Send annual IRS Form 1098 Interest Statements to borrowers;
- (h) Request and receive notices of default on senior liens;
- (i) Endorse to Servicer's Trust Account any checks or money orders payable to lender and to deposit them by the next business day into Servicer's trust account;
- (j) Promptly communicate to lender any material information about collection of the Loan;
- (k) With the consent of Lender, on a case by case basis, initiate and direct appropriate collection activities for Loans in default, including judicial or non-judicial foreclosure of the Loan (In the event such collection activities are initiated, Lender agrees and authorizes Servicer to employ any outside services such as, but not limited to, appraisers, attorneys, foreclosure companies, or substitute trustees on behalf of Lender and Lender agrees to pay all fees and expenses so incurred directly to the person or entity providing the services immediately upon presentation of a proper invoice or statement; and

(l) Provide Lender with such reports and information as may be usual and customary in the loan servicing industry including past-due reports, collection and disbursement reports, and annual reports detailing principal, interest, late charges and other fees collected.

Submittal Requirements:

Qualified consultants should limit submissions to 15 pages and must provide 8 copies. The submittal must include the following:

1. Background information on the consultant (s) and resumes for each team member.
2. Relevant Experience information for 2(two) loan programs the consultant has managed:
 - a. Client
 - b. Source of loan fund and amount of fund
 - c. Familiarity servicing federal loan programs in the Rio Grande Valley area
 - d. Reference letters (minimum of 2)
3. Preliminary cost estimates, including itemized description of charges, fees and costs.
4. Ability to provide bonding in equal amount of total revolving loan fund (anticipated to be less than \$500,000).

Submission of Proposals:

Eight (8) copies of all proposal documents shall be sealed and submitted to: The City of San Benito, City Secretary's Office by Wednesday, February 15, 2012 no later than 2 p.m. The office is located at the San Benito Municipal Building 401 N. Sam Houston Blvd., San Benito, TX 78586. Mark Envelope: RFP Loan Servicing

Late Proposals:

Proposals received in the City of San Benito, City Secretary's Office after submission deadline will be considered void and unacceptable. The San Benito EDC is not responsible for lateness or non-delivery of mail, carrier, etc., and the date/time stamp in the City Secretary's Office shall be the official time of receipt. The San Benito EDC reserves the right to reject any and all proposals.