

**NEIGHBORHOOD OPPORTUNITY FUND (NOF)
REQUEST FOR QUALIFICATIONS (RFQ) FOR COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS (CDFI) LENDING PARTNERS**

By: SomerCor 504, Inc.

Date: January 24, 2025

Purpose: SomerCor is seeking applications for CDFIs to participate in the NOF's Loan Loss Reserve (LLR) program and provide lending services for Neighborhood Opportunity Fund (NOF) grantees in support of financing and completing their projects.

The goal is to develop a list of approved, pre-qualified CDFI service providers ("**Approved CDFI Providers**") who provide loans, investments, financial services and technical assistance to underserved populations and communities; and will reliably and consistently work with NOF applicants (those who are seeking to be selected into the NOF program) and NOF grantees (those who have already been selected into the NOF program).

Inclusion on the list of Approved CDFI Providers does not ensure that an individual Approved CDFI Provider will be chosen by NOF applicants and/or NOF grantees. All Approved CDFI Providers will be evaluated periodically for continued inclusion on the NOF Approved CDFI Providers list.

Due Date: To be considered for inclusion on the initial list of Approved CDFI Providers for the NOF program, responses must be submitted no later than February 28, 2025, 5 PM CST.

Future solicitations for additional Approved CDFI Providers may occur on a to-be-determined basis.

Responses are to be submitted electronically via [Submittable](#).

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I. Neighborhood Opportunity Fund Overview

In 2016, the City of Chicago implemented reforms to the City’s Zoning Code to ensure that the growth of downtown drives equitable development throughout the City. These changes created the Neighborhood Opportunity Fund, leveraging new development in and around the Loop to generate funds that will catalyze investment on Chicago’s South, Southwest, and West Sides. The focus of the Neighborhood Opportunity Fund is to create and reinforce inclusively vibrant commercial corridors in our neighborhoods, with grant funding to support small business and cultural projects by funding real estate construction and rehabilitation costs.

For additional information about NOF, please visit the [program’s website](#).

II. LLR Program Objectives

Lack of available financing has led to unfinished projects and low participation. In 2024, the City of Chicago’s Department of Planning and Development (DPD) instituted the LLR Program to assist NOF applicants with finding lenders (Approved CDFI Providers). The LLR is designed to increase loan volume by leveraging funds from Approved CDFI Providers, providing additional security for lenders to extend credit to businesses that may otherwise be considered too high-risk.

Optionally, the Approved CDFI Provider may provide project management services should the Approved CDFI Provider’s scope of work include it. This would include, but not necessarily be limited to, bid-letting, working with architects, working on permitting, and organization of construction payment documents for payout requests.

By creating the LLR Program for participating CDFIs to engage with, the City of Chicago is supporting NOF applicants and NOF grantees by connecting them with valuable financial resources to help them start and complete their projects.

- **How the LLR works:** if an Approved CDFI Provider works with a NOF grantee who ends up defaulting on their loan, they can request a payment equal to the sum of the defaulted loan from the LLR pool. This request is made directly to the Program Administrator on a quarterly basis. The Approved CDFI Provider and the Program Administrator will go over their request(s) for payments from the LLR pool. If approved, a payment will be issued from the pool directly to the Approved CDFI Provider

After reviewing proposals submitted via Submittable, SomerCor (working with the City of Chicago) will create a list of Approved CDFI Providers. The City will share the final Approved CDFI Provider List publicly, so it is accessible to NOF applicants and NOF grantees. The City will not recommend or

endorse any one Approved CDFI Provider, and, ultimately, NOF applicants and NOF grantees will select the Approved CDFI Provider.

III. Approved CDFI Provider Roles

Purpose: The Approved CDFI Providers will work with NOF applicants to assess the financial feasibility of their projects, which will include support in securing financial resources, and (optionally) financial management of the construction disbursement process.

Services Provided: The Approved CDFI Provider will be responsible for helping interested parties with:

- Submitting a suitable application for a financing package appropriate for the NOF program,
- The collection of appropriate loan closing documents for underwriting. This process can include, but is not necessarily limited to:
 - The organization of financial documents, including balance sheets, income statements, personal financial statements, bank statements, and other documents as requested by lending institutions
 - Self-performing cash flow analyses to anticipate what level of debt the grantee can support given industry standard debt service coverage requirements and to determine what amount of funding they are likely to qualify for
 - Fine tuning of business plan (if applicable) and assumptions made in financial projections as requested
 - Connecting grantees with other professional service providers, as needed, such as accounting and tax professionals, or even other lenders should underwriting requirements not be met
- Adhering to the Neighborhood Opportunity Fund Loan Loss Reserve Program Scope of Services (see “VIII. Additional Details of the RFQ”) when the LLR is utilized
- Ensuring the NOF grantee’s financial package leverages NOF dollars appropriately throughout the construction process
- (Optional) The organization of payment documents in service of making payouts associated with the construction project

How Approved CDFI Providers are Connected with Interested Parties

Approved CDFI Providers will be given a list of NOF applicants that were not selected to participate in the NOF program. The Approved CDFI Providers, in conjunction with the Program Administrator, will select which NOF applicants are most suitable for their specific services should financing have been the specific cause for why an applicant was not selected. The pairing of NOF applicants with Approved CDFI Providers will include factors such as type of business, size of the loan, region, and other considerations.

Once NOF applicants and NOF grantees have been paired with Approved CDFI Providers, the services outlined in Section III will be provided to the NOF applicant. If after services are provided and the Approved CDFI Provider determines that the NOF applicant is a suitable client for underwriting, they can either 1) complete the underwriting process, issue a Promissory Note, and encourage the applicant to re-apply for the program with financing secured, or 2) issue a commitment letter (not a letter of intent) outlining what additional items are needed for the NOF applicant to secure financing and encourage the applicant to re-apply for the program.

(Note: NOF applicants working with Approved CDFI Providers who are re-submitting their application are not guaranteed to be selected for the NOF program.)

If the NOF applicant applies for and is accepted into the NOF program, the Approved CDFI Provider may work with the applicant in earnest towards either finishing their construction project (after issuance of the Conditional Award Letter) or securing the remaining documents if a commitment letter was issued.

Alternatively, NOF applicants who are selected into the program and become NOF grantees without initial assistance from an Approved CDFI Provider may still opt to work with one if additional financing needs to be secured (all NOF grantees selected for the program need to have proof of financing demonstrating 50% coverage of total eligible project costs 120 days after receiving a conditional award letter).

Deployment of Loans

Approved CDFI Providers will generally have autonomy over the financing packages they provide to NOF applicants and NOF grantees. Listed below are a few ways successful NOF projects have been financed in conjunction with lender funds:

- NOF funds can be used to pay-down on the principal of a loan that covered 100% of total eligible project costs via a Letter of Assignment
- The lender can underwrite a loan specific to the amount the finalist needs to complete construction. Loans may be disbursed in two ways:
 - Construction Escrow: a neutral, third-party account where funds are kept until certain conditions are met for disbursement.
 - Reimbursement: a pay back of funds, which occurs when a grantee or their financier can demonstrate work has been completed and provides all appropriate documentation. The grant may be disbursed directly to the grantee, or a financier working on behalf of the grantee, if they decide to pay the contractor directly themselves.

IV. Approved CDFI Provider Application

Responses are to be submitted electronically via Submittable, no other types of submissions will be accepted. Responses must be submitted not later than 5:00 PM on 02/28/2025. For additional questions please contact:

Reuben Waddy

SomerCor 504, Inc.

209 S LaSalle St

Chicago, IL 60604

Contact: rwaddy@somercor.com

A) Applicant Profile:

The following identifying information should be provided at the beginning of your response:

- Business Name
- Address
- Website

- Lead contact's name and title (person responsible for managing these CDFI services)
- Phone and email information
- Number of years in business
- Total number of staff available to provide these specific CDFI Provider services
- Ethnicity/race and gender of business owner (if applicable)

B) Existing City Contracts:

If the Applicant has existing contracts or outstanding bid applications with a City of Chicago Department or Sister Agency, please provide a list of such contracts or applications.

C) Category of Services:

Please identify the Approved CDFI Provider services (please refer to Section III) that are most suitable for your organization. Additional services may be added to your list if deemed relevant for the NOF program.

D) Proposal Narrative:

Applicants must submit their answers to each of the following questions and include attachments/exhibits, where necessary, to be considered. Applicants should convey how their CDFI services will benefit grantees and ultimately align with the goals of the Neighborhood Opportunity Fund.

1. Statement of Interest

Provide a brief introduction to your business/organization, main professional services offered, and areas of expertise. Include a statement that details why your business is interested in serving as an Approved CDFI Provider.

2. Experience

Provide **2-3 examples** of previous experiences working with applicants on the South, Southwest, and West sides of Chicago (especially if there was a LLR involved). If no such experiences exist, please describe experiences that you've had which you believe are comparable and why you believe they are comparable. Please be specific. **Each example should include:**

- (1) outline of the loan provided including amount and type (did it cover part of the construction costs, or all of it),
- (2) the type of business served by the loan and the region they are located in,
- (3) the amount of time it took from application to closing,
- (3) cost/fee charged for services, and
- (4) at least one reference, per example, with phone and email contact information.

Within the response to this question, please identify if your business/organization has direct experience engaging with businesses in low- to moderate-income, urban commercial districts and particularly experience within the South, Southwest and West sides of Chicago.

3. Qualifications of Key Personnel

Provide a description of your organizational structure, and **a list of and resumes for qualified staff or independent contractors** that will be responsible for providing CDFI services for these

projects. Please describe how you will allocate staff (and their time) and any other resources if selected for a contract with a NOF grantee.

4. Strategy for CDFI Provider Delivery

Provide a description of what your typical approaches will be for service provision on NOF grantee projects. Consider answering the following questions in developing your response:

- (1) What techniques will you use to help interested parties determine what amount of debt they can expect to qualify for? How will you approach helping the interested parties submit strong applications for funding if they re-submit for NOF? How will you support the NOF grantees during the loan application processes?

5. Written Agreement to Adhere to the Neighborhood Opportunity Fund Loan Loss Reserve Program Scope of Services

If an Applicant is unable to accommodate the Borrower Loan Structure (see “V. Additional Details of the RFQ”), SomerCor requests the Applicant provide an alternative that fulfills the goals of providing a loan structure consisting of an Introductory Period and Stabilized Period, each with an interest rate and repayment schedule, and include a detailed explanation of the challenges and reasons the Applicant cannot accommodate the proposed structure. Any proposed alternative structure will need to be reviewed and approved by the City of Chicago prior to implementation.

6. Additional Information

Please include any other relevant information you believe is essential to the evaluation of your proposal.

E) Minority, Women, and Veteran Business Enterprises Commitment (optional)

Applicant may submit a copy of their current City of Chicago and/or Cook County MBE/WBE Certification Letter evidencing your company is certified as an MBE and/or WBE.

F) Final Certifications: In your response, please indicate a “Yes” or “No” response to each of these four certifications. You may type the exact copy followed by the “Yes” or “No” or re-write the statement to indicate the affirmative or negative response (e.g. “Our staff is willing and able...”).

- a. Are you and/or your staff willing and able to travel to any and all of the NOF grantee locations in order to provide technical assistance directly to the grantees in their preferred location?
- b. Is your organization able to start providing services immediately upon their addition to the list of Approved CDFI Providers?
- c. Is there any pending litigation against your organization or its principals in courts situated within Illinois within the past five years?
 - i. If you answered “Yes,” please provide details on court cases
- d. Do you and your staff acknowledge that it is prohibited to provide gifts to NOF grantees or to accept gifts from them (e.g. free meals or merchandise).

V. The Selection Process

All applications will be reviewed for completeness, and incomplete or non-responsive applications will be negatively considered. Scoring of Approved CDFI Provider applications will be based on the following points schedule:

- I. **Relevant work experience:** 40 points
- II. **Qualifications of key personnel:** 30 points
- III. **Strategy for TA Service Delivery:** 30 points

Maximum number of points: 100.

All applications will be scored using the above scoring framework and each application will be reviewed by at least two reviewers. In some cases, a phone interview may be requested as part of the selection process.

VI. Reporting and Evaluation Requirements

NOF grantees will complete satisfaction surveys after the completion of their projects regarding their use of an Approved CDFI Provider, if applicable. The results of these surveys along with an evaluation of outcomes observed on projects where an Approved CDFI Provider was used will be assessed periodically.

Approved CDFI Providers will be responsible for submitting annual internal evaluation reports. These reports should contain a description of the technical assistance provided to NOF grantees within the reporting period, as well as the key quantitative and qualitative outcomes covered in this solicitation request.

If NOF grantees report having an unsatisfactory experience working with an Approved CDFI Provider, the Approved CDFI Provider may be removed from the Approved CDFI Provider list.

Please note: Approved CDFI Providers will not be removed from the Approved CDFI Provider List solely because a NOF grantee found their work unsatisfactory. The full context of the engagement and the challenges of the particular project would be considered.

VII. Calendar of Next Steps for Respondents to RFQ

- (1) RFP Issue date: The RFP will be issued via Submittable.
When: January 24, 2025
- (2) **Deadline to submit an application to become an Approved CDFI Provider for the NOF program:** This will be the deadline to submit an application. The deadline has been selected to ensure this list will be available for the next funding round of the NOF program.
When: February 28, 2025
- (3) **Anticipated date for decisions regarding an Approved CDFI Provider List:** This will be the date by which all applicants will receive a response regarding their selection or non-selection for the Approved CDFI Provider list.
When: March 31, 2025

VIII. Neighborhood Opportunity Fund Loan Loss Reserve Program Scope of Services

Service Providers: Approved Community Development Financial Institutions
Beginning March 2025, with optional quarterly renewals

The City of Chicago (“City”) will provide a loan loss reserve that will have the effect of providing a credit enhancement to any approved CDFI provider (“CDFI”) that will have the effect of increasing loan volume from dependable sources to small businesses (“Borrower

Loans”) in connection with the City’s Neighborhood Opportunity Fund (“NOF”). The City has a number of NOF requirements as a condition to the providing of the Grant, as detailed herein.

Part I. The NOF Program

City Disbursement of Grant Funds for Part I:

For Part I purposes, the City will disburse a sufficient amount of Grant money, at the times and in tranches as described in detail in the section entitled Loan Capital Accounts below, in amounts equal to 25% of each tranche received in the Loan Capital Account, provided, however, that the **maximum Part I funding of Grant money shall not exceed \$1,000,000 per escrow account (“LLR Account”).**

The Part I Grant money is restricted for use as a loan loss reserve for the duration of the participation of the CDFI in this program and cannot be used for CDFIs’ operations, overhead or any other use while restricted.

If the City, in its sole discretion, obtains or otherwise has access to other Part I-related funds for this Agreement, the City will provide those additional Part I grant monies to the CDFIs pursuant to an amendment to the Agreement.

Deposit of Grant Funds:

The City will deposit the disbursements of Grant money directly into an LLR Account administered by the NOF program administrator (“PA”). Deposits of grant money into the LLR Account from any entity other than the City are not permitted. The City and PA will receive real time access to bank statements from the LLR Account.

The CDFI will provide the City and PA with proof of the deposits made thereto.

The LLR Account shall retain maximum liquidity at all times and will be invested by the CDFI with liquid investments as mutually agreed by the City and the CDFI, including governmental money market funds.

Funds in the LLR Account will not be used to make Borrower Loans.

The LLR Account will not be commingled with the CDFIs’ operating funds or other monies.

Loan Capital Accounts

In addition, the CDFI will create one or more Loan Capital Accounts. Each Loan Capital Account will deposit proceeds of loans (“Lender Loans”) from lenders (each, a “Lender”), which loan proceeds are providing the CDFI with the loan capital that will be used to make Borrower Loans. The CDFI will provide to the City and PA real time access to the bank statements of each Loan Capital Account.

Each Loan Capital Account can be funded by the Lenders in tranches, pursuant to discussions with the City. Following receipt of loan capital in a Loan Capital Account, CDFIs will notify the City and PA and provide evidence of receipt of a tranche into its Loan Capital Account. The City

and PA will promptly disburse Part I Grant money into the LLR Account in an amount equal to 25% of the tranche received in the Loan Capital Account.

Loan Loss Reserve Procedure; Withdrawals

Each Borrower Loan, once closed, is simultaneously deemed to generate a reserve of a portion of the LLR Account.

Until the LLR Account is fully reserved by the volume of Borrower Loans, the LLR Account will be deemed reserved at 25% of each dollar (\$1) in Borrower Loan principal for each Borrower Loan that is closed.

The LLR Account will be deemed fully reserved when not less than the full amount of the Loan Capital Accounts has been lent into closed Borrower Loans or as mutually agreed by the City and the CDFIs.

With respect to each Borrower Loan whose Borrower has missed one or more payments (a “Delinquent Borrower”), the CDFI may directly request the PA approve a withdrawal of funds from the LLR Account not later than the end of the Term of this Agreement (each, a “Withdrawal”), each such Withdrawal equal to the sum, when measured not earlier than 90 days after the last date the Borrower Loan was performing, of (i) the then-unpaid interest earned on the Borrower Loan, (ii) the then-unpaid principal of the Borrower Loan, and (iii) any unreimbursed recovery costs that have reasonably been incurred by the CDFI related to the Borrower Loan.

The PA shall notify the City of each Withdrawal and the dollar amount thereof and will provide copies of supporting and collection documentation to the City upon request.

For each Withdrawal from the LLR Account, the LLR Account is deemed permanently reduced in size, except to the extent the LLR Account is restored by the results of successful collection efforts as described below.

If and when the LLR Account reaches \$0, then the LLR Account is deemed exhausted.

The City will not be liable to the CDFIs for any claims above the initial LLR Account funding.

Unless the LLR Account has been exhausted, the CDFIs shall continue to pursue all reasonable collection efforts against each Delinquent Borrower as set forth in more detail in the section entitled Delinquent Loans, below, regardless whether a Withdrawal has occurred with respect to such Delinquent Borrower or Borrower Loan. With respect to a given delinquent Borrower Loan, if the CDFI recovers funds after a Withdrawal has occurred, and the LLR Account has not been exhausted, then it shall promptly restore to the LLR Account an amount equal to 100% of the recovered funds, less its reasonable recovery costs (but only to the extent the CDFI did not make a Withdrawal for recovery costs). The CDFI shall promptly notify the City and PA of the restoration and the dollar amount thereof, and will provide copies of supporting and collection documentation to the City upon request.

If this Agreement is terminated before the LLR Account is deemed fully reserved (as set forth above), then, at the sole discretion of the City, the unreserved portion of the LLR Account shall be refunded to the City.

Post-Termination Use of LLR Account Funds

At the end of the Term of this Agreement, if the Agreement has not been terminated early or the LLR Account exhausted, then any remaining monies in the LLR Account shall be returned to the City.

Implementation of Equity Goals

The CDFI, with the ongoing advice of the City, will implement methods and procedures designed to help ensure approximately equal distribution of Borrower Loans throughout Chicago's many types of small businesses, while at the same time observing the federal Equal Credit Opportunity Act (ECOA).

The primary goals ("Equity Goals") of these procedures are:

- to foster the successful placement of Borrower Loans with borrowers whose business locations serve customer bases that have a low- or moderate- income;
- to achieve a distribution of Borrower Loans within a broad mix of small business industries;

The CDFI will coordinate with the City and PA to set aside a portion of the loan pool to ensure an equitable distribution of Borrower Loans, with consideration for at least each of the following:

- Geography: Borrower Loans will be allocated across all areas eligible for NOF
- Income: Borrower Loans will be available to small businesses whose business locations serve low- and moderate-income customers
- Industry Type: Borrower Loans will be available across all industry areas eligible for NOF

These methods and procedures may include staggering the release of applications, marketing strategies or other means.

If data from the placement of a number of Borrower Loans indicates that, despite good faith efforts to achieve the Equity Goals, there remain either (i) a relative surplus of applications from businesses that serve certain customer income brackets, certain industries or certain communities, and/or (ii) a relative shortage of applications from businesses that serve certain customer income brackets, certain industries or certain communities, then the PA and the City will jointly determine a process to revise the Equity Goals for the remainder of the NOF program so that unbalanced surpluses or shortages of loan applications can be fairly rebalanced.

Requirements for Each Borrower Loan

Loan Application requirements

- “Loan Applicant” is defined as the entity (corporation, partnership, limited liability company, sole proprietorship) that is applying to the CDFI to receive a Borrower Loan.
- “Business Owner” is the person who has the largest ownership interest in the Loan Applicant. If two persons have identically large ownership interests in the Loan Applicant, whether jointly or separately, then both are the “Business Owner” and both are subject to the personal guarantee and credit check requirements herein.
- Loan Applicant may disclose if it has a business relationship with the CDFI it applies to. If possible, the Loan Applicant should be directed to apply for a Borrower Loan with the CDFI with which it has an existing relationship.
- Loan Applicant will be subject to a debt check by the City for municipal debts (including utility bills, parking tickets, administrative hearing judgments, and business license fees) owed.
- Loan Applicant must expressly acknowledge to the CDFI in its loan documentation that (i) the City's False Statements ordinance (Section 1-21-010 et seq. of the Chicago Municipal Code) applies to the Borrower Loan and (ii) in addition to lender's remedies, the Borrower understands that the City is a third-party beneficiary of the Borrower Loan agreement and of all representations made by the Borrower in connection with the Borrower Loan agreement for purposes of the City’s potential prosecution of claims under the False Statements ordinance and all other applicable City laws.
- Business Owner must be the person who signs the Borrower Loan application, provides a personal guarantee for the entire loan amount, and who is subject to a credit check demonstrating a FICO score of 500 or greater.
- Loan Applicant’s place of business must be located within areas eligible for NOF.
 - Business must provide proof of a City of Chicago address (which can be verified on its business bank statements)
- Not-for-profit organizations that otherwise meet the Loan Application and NOF requirements are eligible to apply for a Borrower Loan
- In addition, businesses that are NOT eligible include, but may not be limited to:
 - chain businesses (as defined by Business and Consumer Protection (BACP) Department);
 - not-for-profit social clubs or not-for-profit organizations that have a national affiliation
 - branch banks;
 - pay day loan stores;
 - pawn shops;
 - astrology, palm reading;
 - liquor stores, night clubs;
 - adult bookstores, massage parlors, strip clubs;
 - track waging facilities;
 - trailer-storage yards; and
 - junk yards,
 - marijuana dispensaries
 - any uses similar to those listed above
- Exceptions to these conditions will be considered by the City and PA but will require prior approval from the Commissioner of the Department of Planning and Development.

- Loan application should include a statement that additional requirements or criteria may be applied as necessary during loan process.
- At the closing of any Borrower Loan, the CDFIs shall include the following queries of the Loan Applicant/Business Owner for optional or voluntary disclosure:
 - Minority status
 - Gender status

Borrower Loan Structure

The City is requesting that CDFIs provide Borrower Loan structures that conform with the interest rate and repayment terms below:

- Loan term equal to 5 years (60 months)
- Loan may be repaid early with no penalty
- Loan Amount shall not be greater than \$500,000, unless explicitly approved by the City.
- Loan proceeds must be used for NOF-eligible construction costs, not including soft costs associated with the Technical Assistance (“TA”) program
- Introductory Period
 - CDFIs will provide a low-cost Introductory Interest Rate and Repayment Schedule for the first 24 months of the term of 1%, which shall include:
 - An initial 6-month period consisting of a \$10 payment, with interest accruing
 - A 12-month period consisting of interest only payments of the accrued principal balance
 - A 6-month period consisting of principal and interest payments based on the Introductory Interest Rate and 60 month amortization schedule
- Stabilized Period
 - Starting in month 25 the Borrower Loan will revert to a Stabilized Interest Rate and Repayment Schedule, which shall be based on:
 - A Stabilized Interest Rate equal to the lesser of the Prime Rate + 2.0% and 9%
 - A Stabilized Repayment Schedule of principal and interest over a 42 month amortization schedule at the Stabilized Interest Rate, resulting in a \$0 balance at the end of the Loan Term.
- For each Borrower Loan that successfully closes, the CDFI will earn a Loan Origination Fee of 2% of Borrower Loan commitment, which shall not exceed \$10,000.

If a CDFI is unable to accommodate this structure, the City requests the CDFI provide an alternative that fulfills the goals of providing a loan structure consisting of an Introductory Period and Stabilized Period, each with an interest rate and repayment schedule, and include a detailed explanation of the challenges and reasons the CDFI cannot accommodate the proposed structure.

Assignment and Sale of Loans

Except for the assignment or sale of Borrower Loans to or from an approved CDFI to other approved CDFIs participating in the NOF program, an approved CDFI cannot assign or sell any Borrower Loans without prior written consent of the City pursuant to a written Amendment to this Agreement.

Delinquent Loans

During the Repayment Term of each Borrower Loan, a CDFI must follow the CDFI's normal course of action to obtain re-payment thereof, which (i) must include contacting any Delinquent Borrower or a Borrower that has notified the CDFI that it may soon become a Delinquent Borrower, and (ii) may include deferment, amending or restructuring the Borrower Loan in accordance with the CDFI's policies and procedures, provided that the end date of the Repayment Term of the Borrower Loan (e.g., 60 months) is not extended without the prior consent of the City to an extended Repayment Term.

Lender Monitoring and Reporting Requirements through the end of the Term of the Agreement:

CDFIs will maintain and document credit policy/processes, including meeting minimum financial reporting standards, delinquency based loan loss reserve calculations, delinquency and charge-off standards, and restructure and extension reporting.

CDFIs will provide good customer service to all Loan Applicants. The City and PA will have the right to perform surveys and/or contact Loan Applicants at their discretion to evaluate customer service that has been provided.

CDFIs will track and provide quarterly financial statements on all activities using GAAP reporting standards. CDFIs will provide quarterly loan portfolio volume and risk summaries to the City and PA. The quarterly fiscal reports should include the following:

- GAAP Financial Statements
- List of Borrower Loan transactions on the balance sheet, noting those made during the quarter, and all other assets and sources of funding that relate to Borrower Loans
- List of Borrower Loans sold to other banks and source of funding
- Detailed information related to the Borrower Loan portfolio including all related documentation, repayment schedules, loan performance and other relevant information.
- Loan loss reserve adequacy, using the delinquency based analysis submitted to the City to date, showing required and free reserves
- Annualized charge off rate for quarter vs. prior periods

CDFIs will maintain a database of all Borrower Loans made that captures key demographic information provided by borrowers through a data portal or other loan reporting. The City and PA will be given password read-only access to the data portal. The portal or loan report will provide the following information, among other matters:

- Owner name
- Contact info
- Business name
- Location so that it can be geocoded within a Chicago Community Area
- Type of business, including its designated industry
- Low-Moderate income customer status
- Low-Moderate income neighborhood status
- Jobs created or maintained
- Amount of Loan originated and outstanding
- Loan performance information

Lender Publicity Requirements

CDFIs will capture success stories of businesses receiving Borrower Loans upon City request, not to be unreasonably required, but subject to Borrower marketing releases. These stories would include the impact of the loan on the business, the impact on jobs and the impact on the local community as a result of the loan loss reserve.

In connection with all publicity about this loan program, you will acknowledge that the City of Chicago has supported the program.

General Conditions, Terms, and Limitations

No officer, director or employee of the CDFIs (directly or indirectly), or any affiliate of the CDFIs, is eligible to receive any loans under this program.