

# **ATTACHMENT 2**

# HOUSING REHABILITATION LOAN PORTFOLIO MANAGEMENT

(2022-044.1)

City of Lake Forest  
100 Civic Center Dr.  
Lake Forest, CA 92630



City of Lake Forest  
First Amendment to Professional Consultant Services Agreement  
Housing Rehabilitation Loan Portfolio Management

I. PARTIES AND DATE. ....

II. RECITALS. ....

III. TERMS.....

IV. SIGNATURES. ....

V. EXHIBIT "C" - COMPENSATION .....

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## **1. PARTIES AND DATE.**

This First Amendment to the Agreement for Professional Consultant Services ("First Amendment") is entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the City of Lake Forest, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 100 Civic Center Drive, Lake Forest, California 92630 ("City") and AmeriNational Community Services, LLC dba AmeriNat, a Minnesota Limited Liability Company (LLC), with its principal place of business at 8121 E. Florence Avenue, Downey, CA 90240 ("Consultant"). City and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

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## **2. RECITALS.**

### **2.1. Agreement**

The Parties entered into that certain Agreement for Loan Portfolio Management dated June 23, 2022 (“Agreement”).

### **2.2. First Amendment**

The Parties now desire to amend the Agreement in order to extend the term of the Agreement, increase the total amount of compensation under the Agreement, and update the City's Representative.

### 3. TERMS.

#### 3.1. Term.

Section 3.1.2 of the Agreement is hereby amended in its entirety to read as follows:

The term of this Agreement shall be from July 1, 2022 to June 30, 2026, unless earlier terminated as provided herein. The City shall have the unilateral option, at its sole discretion, to renew this Agreement annually for no more than one (1) additional one-year terms. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

#### 3.2. Compensation.

Section 3.3.1 of the Agreement is hereby amended in its entirety to read as follows:

Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed SEVENTY THOUSAND DOLLARS (\$70,000) without written approval of the City Council or City Manager as applicable. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

#### 3.3. City's Representative.

Section 3.2.5 of the Agreement is hereby amended as follows:

The City hereby designates Keith Neves, Assistant City Manager, or his/her designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for review and approval of all products submitted by Consultant but not the authority to enlarge the Scope of Work or change the total compensation due to Consultant under this Agreement. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Scope of Work or change the Consultant's total compensation subject to the provisions contained in Section 3.3 of this Agreement. Consultant shall not accept direction or orders from any person other than the City Manager, City's Representative or his/her designee.

#### 3.4. Remaining Provisions of Agreement.

Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

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## 4. SIGNATURES.

### 4.1. SIGNATURES.

#### CITY OF LAKE FOREST

By:

Mark Tettermer  
Mayor

#### ATTEST:

By:

Lisa Berglund  
City Clerk

#### APPROVED AS TO FORM:

By:

Best Best & Krieger LLP  
City Attorney

#### AmeriNational Community Services, LLC dba AmeriNat

By:

DocuSigned by:  
*Adrienne Thorson*  
BB4B71EC7E46462...

Adrienne Thorson  
Chairman of the Board

[If Corporation, TWO SIGNATURES,  
President **OR** Vice President **AND** Secretary  
OR Treasurer REQUIRED]

By:

Signed by:  
*Michael Torres*  
30D1ADABF3D5433...

Michael Torres  
Product  
Chief Financial Officer (Corporation or LLC)

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## 4.2. LAKE FOREST HOUSING AUTHORITY

### **CITY OF LAKE FOREST**

By:

Mark Tettermer  
~~Mayor~~ Chair

### **ATTEST:**

By:

Lisa Berglund  
~~City Clerk~~ Authority Secretary

### **APPROVED AS TO FORM:**

By:

DocuSigned by:  
*Matthew Richardson*  
AE0F8B7C7BDD40D...

Best Best & Krieger LLP  
~~City Attorney~~ Authority Counsel



## 5. EXHIBIT "C" - COMPENSATION

### 5.1. EXHIBIT "C" - COMPENSATION

Consultant shall be paid for services rendered in accordance with Section 3.3 of the Agreement and as described above under Exhibit "A" Scope of Services the not to exceed fee of SEVENTY THOUSAND DOLLARS (\$70,000) billed on a time and materials basis according to the following schedule:

#### **Loan Documentation Preparation Services**

1. A fee of \$295.00 plus pass-through costs is charged for loan document preparation.
2. A project for which credit, title, or appraisals have been supplied by AmeriNat, but which is thereafter canceled without performance of loan document preparations, a cancellation fee of \$90.00 plus outside costs applies. A project will be considered cancelled if a Loan Documents Request is not received within sixty (60) days of ordering the aforementioned services.
3. A fee of \$30.00 will be charged for a document that is re-drafted at the request of the City due to actions by the City.

#### **Loan Portfolio Management**

Flow Loan Set-Up Fee: \$55.00 per loan

Monthly Service Fee for Amortized Loans: \$16.58 per loan per monthly

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 applicable transferable tax contracts are not already in place.

Monthly Service for Deferred Loans:

- a. Warehouse: \$2.35 per loan per month
- b. Warehouse and monitor of taxes and/or insurance: \$6.05 per loan per month plus one-time tax service vendor fee.
- c. Warehouse and escrow of taxes and/or insurance: \$16.58 per loan per month plus a one-time tax service vendor fee.
- d. Flat fee for receiving occasional payments on deferred loans: \$16.58 per payment

#### **Tax-Service Pass-Through Cost**

If it is determined that Tax Service is needed, then a one-time fee of \$80.00 per loan upfront at time of servicing commencement will be charged (may be assessable to borrower) for 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.

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Please note: 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**

If requested by the City, AmeriNat will charge a flat fee of \$395.00 per loan per occurrence 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 performance at no charge to the borrower or the City.

### **Per-Event Fees**

Tickler Notifications: A \$15.00 per notification may be charged

Check by Phone Service: \$10.00 per loan per occurrence.

Loan Transfer Fee: \$75.00 per loan one-time if transferred from AmeriNat

*Note: Pass-through (reimbursable) expenses not reimbursed monthly, will be considered servicer advances and will be subject to an interest charge at a rate of 1% per month compounded. A finance charge of 1% per month compounded will be applied to invoices outstanding and unpaid for more than 60 days. Pass-through (reimbursable) expenses, including but not limited to postage costs for statements, letters, and other notifications to borrowers, advances necessary for principal and interest payments, tax and insurance payments, legal and other professional fees for loss mitigation activities, costs of tax contracts, and other out of pocket costs necessary for performance of the scope of service tasks, will be reimbursed by the City monthly.*

### **Extraordinary Account Research and/or Loan Reconstruction**

AmeriNat will conduct ongoing routine maintenance and general customer service activities on borrower information and balances as part of the servicing duties at no additional cost.

Should the City request additional research to be conducted, or if the City engages AmeriNat to conduct a Loan Reconstruction Service on its portfolio, an extraordinary research fee of \$150.00 per hour will be charged, with a minimum one hour per occurrence. 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 AmeriNat's records relating to the principal balance or other loan information, and the result of the research determines that the discrepancy was the results of activity being posted at the City and not forwarded to AmeriNat for updating its records, the extraordinary research fee will be charged for the time spent on the research.

For services or loans with unique servicing characteristics that are not shown above, the City and AmeriNat acknowledge that additional and/or different servicing requirements may be appropriate. AmeriNat will work with the City in good faith to establish written terms for the servicing of these types of loans or additional services requested. Any agreement on the servicing provisions for any non-standard portfolio or additional services, including pricing for said services, shall be memorialized in a Statement of Work ("SOW").

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### **Minimum Monthly Fees**

Fees are subject to a minimum monthly amount of \$1,000 per month. The minimum is applicable to City-wide services, including fees for all services provided and including work provided to other departments or loan portfolios of the City.

Each monthly invoice shall identify services rendered and corresponding fees. In the event that the cost of services in any month is less than the \$1,000 minimum monthly fee, the invoice shall

clearly and separately identify any charges not corresponding to services rendered as "Non- ascribed minimum monthly fee" or similar.

In the event that this Agreement is renewed pursuant to Section 3.1.2, the rates set forth above may be increased or reduced each year at the time of renewal, but any increase shall not exceed the Consumer Price Index, All Urban Consumers, Los Angeles-Long Beach-Anaheim.