

**EXHIBIT A
SCOPE OF WORK
MICROLOAN UNDERWRITING SERVICES**

SCOPE OF SERVICES

The proposal and the final products should include, but are not limited to, the services in the list below. Your firm should add appropriate items based on your experience and what you believe will provide the best direction and results for the LADF.

Microloan Underwriting Services:

1. ~~Program Outreach and~~ Borrower Screening

- ~~• Develop and execute outreach programs to attract potential borrowers.~~
- Screen and assess potential borrowers for eligibility and creditworthiness.
- EWDD, in conjunction with City Council offices, will conduct outreach to attract potential borrowers. However, the chosen vendor will not be precluded from participating in outreach, as desired. Participation by the chosen vendor in informational events or other outreach efforts may be billed separately to LADF in the same manner as technical assistance fees.

2. Technical Assistance

- Provide technical assistance support that businesses are unable to obtain through their registered City of Los Angeles Business Source Centers, including advice, consultation, and training in basic business practices such as accounting, drafting applications, and creating five-year business plans.
- Respondents may stipulate additional types of assistance and support that may be necessary based on their experiences in microloan finance.
- Please remember, fees and costs of the selected vendor for providing technical assistance services to borrowers will be billed (monthly) directly to LADF, as opposed to the other services listed here which will be provided in exchange for closing fees and interest payments received from operations of the microloan fund. All responses to this RFP **MUST** include an hourly rate for providing technical assistance as well as an estimated total reserve to cover technical assistance charges for the initial term of the loan fund. The estimated total reserve is for informational purposes. The vendor will be paid for actual hours spent and will not be capped at the estimated reserve.

23. Loan Underwriting Services

- Review loan applications and associated documentation.
- Assess the creditworthiness of loan applicants.
- Determine appropriate loan structures and terms.
- Provide recommendations for loan approval or denial.
- Ensure compliance with lending regulations and internal policies.

34. Loan Application Processing and Document Standardization

- Streamline the loan application process for efficiency.
- Close using standardized loan documentation.

45. Loan Servicing Services

- Administer loan disbursements, billings, and repayments.
- Maintain accurate and up-to-date loan records.
- Handle customer inquiries and requests related to loan accounts.
- Monitor loan performance and collections.
- Implement loan modifications, deferments, and forbearances as necessary.
- Generate loan statements, payment schedules, and annual tax documents.

56. Compliance and Regulatory Adherence

- Stay updated with federal, state, and local lending regulations.
- Ensure full compliance with all applicable laws and regulations.
- Gather borrower and guarantor compliance documents such as annual financial statements, tax returns and semi-annual income statement.
- Assist with regulatory examinations, audits, and inquiries.

67. Reporting

- ~~Provide regular reports and updates on loan portfolio performance.~~ Monthly, the selected vendor will provide a report to LADF on fund performance. At a minimum, this report will include a list of loans closed that month, loan commitments, amounts funded, intended use of funds, business types, locations, number of employees, and any delinquencies. Reports will be initially required monthly and will transition to quarterly and semiannually over time.
- After the first six (6) months of operations, the selected vendor will present the fund outcomes to date to LADF's Board of Directors. This attendance may be virtual upon request.
- The LADF may also request that the consultant attend one of the regularly scheduled meetings of LADF's Board of Directors to provide **additional** progress reports and updates.

78. Risk Management

- Identify and in consultation with LADF staff mitigate potential risks related to loan underwriting and servicing.
- Develop and implement risk management strategies.
- Monitor and report on the quality of the loan portfolio.