

CDS

Scope of Work

Boost Fort Bragg Business Loan and Technical Support Program

Provide program outreach, networking, and marketing as needed to identify, contact, and attract prospective eligible businesses for business financial assistance.

CDS intends to market the program with the city, conduct business site visits, assist the applicant with the loan application documentation, provide technical assistance as needed, and when appropriate, work with the local business service providers to arrange additional technical assistance to the loan applicant. We also work with the Chamber of Commerce and business organizations to market the program. Should the City wish it, we will engage in presentations with staff to business and community organizations regarding the program's availability and purpose.

Prepare loan proposals utilizing Boost Program underwriting criteria, present them to the loan committee, and close and service loans in accordance with the Boost Program Guidelines.

CDS will review and assist applicants with the loan application process and, as early in the process as practicable, advise the applicant of the credit worthiness of the application and the potential fit with the Boost business loan program. If the loan makes sense, we will package the deal and carry it forward to the program committee.

Whenever possible CDS will refer applicants to local appropriate service providers when more work is necessary to prepare the applicant for future consideration. However, whenever possible, we will work directly with the applicant to prepare them for a successful loan application and funding. This is an important element of what we do. The very best way to market this program is to successfully complete loans that work for the City and the business. It is the city, business community, and the banks that will market the program for us if we do our jobs properly.

Business Loan Processing

On-site meetings loan application and follow up meetings will occur at the business location. CDS will not package a loan without first meeting the business owner at their place of business.

CDS analyzes every loan application following the Boost Program Guidelines utilizing the fundamental five Cs of credit analysis to determine creditworthiness. The criteria are addressed in each loan proposal we prepare. This assessment includes running a credit check on each applicant with over 20% ownership of the business.

CDS will use standard underwriting criteria during the underwriting process to mitigate lending risk as much as possible. CDS interviews the applicant, visits the business site, gathers the necessary documentation, analyzes the information, prepares the loan proposal, presents the loan proposal, documents the loan decision, prepares the additional necessary supporting documentation, prepares the loan check sheet and signature documents. CDS then prepares loan closing documents, prepares escrow instructions, and will work with City staff to properly disburse the loan funds.

CDS will work with staff to arrange the loan committee meetings, present the proposal to the committee, and if approved, complete the approval process, prepare the loan closing documents and title instructions, work with staff on the drawdown of funds.

Loan Closing & Documentation

CDS uses LaserPro® loan closing documentation software, the commercial loan industry standard. All loan conditions are reviewed by the loan committee and staff for appropriateness. Hard copy originals of all loan closing documents will be provided for review by staff. CDS follows appropriate business underwriting criteria and analysis for each loan using the Boost Program Guidelines to ensure compliance with the city's program intentions and requirements.

CDS will utilize LaserPro® documents in accordance with the loan conditions of each approved loan. These include promissory note, business loan agreement, deed of trust, UCC filings and other loan and loan closing documents required, utilizing industry standard documents.

CDS will provide specific escrow instructions based on the conditions set by the loan committee after the preliminary title search is completed, and the loan has been approved. CDS will communicate with the title company throughout the process. We often utilize Fidelity Title Company as they are experienced with city lending practices.

When we can arrange a companion loan, we will coordinate the issues of security, disbursement, and use of funds with the participating lender. CDS is an experienced lender, we prefer companion loans with local banks because we can share risk and spread our resources further.

Monitor Loan Performance

If needed, CDS will assist the City with loan modifications as needed and present the modifications to the Boost Loan Committee for review and approval. If approved, the modification is then memorialized, and the loan documents revised to reflect the modification.

CDS will routinely perform required post loan closing tasks including monitoring the on-going viability of the borrowers, including recommendations for action if necessary; monitoring borrowers use of funds; and periodic site visits to verify availability and condition of collateral, examine business records and procedures, and help, obtain annual business financials, tax returns, and make sure all insurance coverage documentation is in place. CDS will also provide direct assistance and support to business when needed.

CDS will participate in phone or zoom meetings as needed by City staff to provide timely response to any inquiry or request by staff for information, completion of reporting tasks, clarifications regarding program eligibility, procedures, and any questions regarding Boost Program.

Timeline

CDS is prepared to implement the Boost Program in December 2024.

Budget

CDS bills at a rate of \$150/hr. and will work within a budget not to exceed 433 hours for a term of 24 months in an amount not to exceed \$65,000.

