

Restore Repair Renew Lender RFP: Questions & Responses
Posted August 15, 2025

1. Regarding the questions on staffing levels and internal systems, is that for the entire bank or just the residential mortgage area?

a. Please include information about staffing levels and internal systems that are relevant to Restore Repair Renew (residential mortgage lending, servicing, etc.).

2. Should Retail and Commercial lending be included in the responses?

a. Please include information that is relevant to Restore Repair Renew; lending or banking services that wouldn't interact with RRR at all do not need to be referenced.

1. Please provide the following:

a. Total number of loans closed per year (see below)

b. Average loan size each year and overall (see below)

c. Total number of loan applications lenders received each year (see below)

d. Number of loans in servicing each year (see below)

Loan Closing Date	Number of Loans Closed	Number of Loan Applications	Number of loans making P&I payments	Closed Loan Amount (avg)	Closed Loan Amount (tot)	Default rate
2019	69	308	11	\$19,858	\$1,370,187	0.0%
2020	61	248	58	\$20,143	\$1,228,743	0.0%
2021	67	160	62	\$19,871	\$1,331,367	0.0%
2022	31	67	55	\$29,091	\$901,822	2.6%
2023	110	211	14	\$38,685	\$4,255,400	0.5%
2024	183	302	101	\$38,392	\$7,025,800	0.4%
2025 (through August 10)	87	134	123	\$40,749	\$3,545,200	0.2%

e. How many loans (if any) have paid off in full?

i. 112 loans have been paid off and satisfied

f. Default rate by year (see above)

g. Copy of loan docs borrowers have used previously

- i. PHDC will provide the RRR mortgage and note upon request to interested Respondents. Please email Rachel Mulbry (rachel.mulbry@phdc.phila.gov) for a copy.
 - h. Full “Program Guidelines” as referred to throughout the RFP (if there are additional guidelines not included in the RFP)
 - i. PHDC will provide the RRR Program Guidelines upon request to interested Respondents. Please email Rachel Mulbry (rachel.mulbry@phdc.phila.gov) for a copy.
 - i. Updated Annual reports for RRR (only 2019/2020 is available online)
 - i. PHDC will provide the RRR Annual Reports upon request to interested Respondents. Please email Rachel Mulbry (rachel.mulbry@phdc.phila.gov) for a copy.
2. What is PHDC/PRA’s definition of default?
- a. The reasons for default are set forth in the RRR loan documents, which are available upon request (see the response to question 1g).
3. Does PRA ever change their underwriting criteria?
- a. PRA has not changed the underwriting criteria since the program began in 2019. It is possible, albeit unlikely, that the criteria may change in the future. However, this would be done in close collaboration with Program Navigator and program lenders.
4. The \$50K max loan - includes all closing costs?
- a. The borrower does not pay any closing costs. The loan amount reflects the expected repair costs.
5. Does PRA work with a specific title company to close these loans?
- a. No, the lender selects a title company of their choosing.
6. RFP indicates
- a. Lender must originate loans “secured with first or second lien”
 - i. Is the lien in PRA’s name or the Lender’s name?

1. The lien is in the Lender's name, and after the one-year construction period the loan is purchased by and assigned to PRA.

b. "interest-only payments due to Lenders monthly during construction period"

- i. Are these interest payments remitted to PRA monthly as they are after the construction term?
- ii. Lenders retain the interest-only payments made during the construction term. Both interest and principal payments are remitted to PRA after the construction term ends.

c. "Contractors may seek an advance for up to 50%"

- i. Does the lender pay directly to the Contractor, or to the Owner/Borrower?

1. Generally, the lender makes the check out to the contractor, and the borrower picks up the check and chooses when to give it to the contractor. However, in circumstances where the borrower is paying for materials directly, checks may be cut to the borrower.

d. "Final payment to contractor will be made after all agreed-upon repairs have been completed" - PN needs to complete a final inspection first, correct?

- i. The borrower, together with the PN, makes the decision when to release the final payment to the contractor(s) completing repairs on the property. Most often the final inspection will occur after all work has been completed.

e. "After the loan is termed out, PRA will purchase the note within 15 days..."

- i. This refers to the construction term rather than the 10 year loan term, yes?

1. Correct, this refers to the one-year construction term.

7. Can the owner/borrower be the contractor?

- a. Yes, if they have the proper licensing and insurance. However, this is incredibly uncommon with RRR borrowers.

8. Quickbase - wanted to confirm that we would not need to build out a Quickbase app, rather use the one PHDC has built. Would Quickbase subscription fee be paid by PHDC/PRA?

a. The Restore Repair Renew Quickbase application already exists and is used by all program partners. The cost is paid by PHDC/PRA.

9. Can the one-time origination fee per closed loan be a %, or does PRA need it to be a specific amount?

a. Please see the response to question 11.

10. For the monthly servicing fee - is this amount based on the number of loans being serviced, or a flat fee?

a. The servicing fee is paid per loan, per month.

11. What were the previous lenders' fees for services provided?

The current RRR lenders receive fees according to the following schedule:

- a. The PRA will provide a one-time fee in the amount of three hundred and twenty-five dollars (\$325) to the Provider per closed loan;
- b. The PRA will provide a monthly fee for servicing to the Provider in the amount of ten dollars (\$10) per closed loan per month;
- c. The PRA will provide payment to the Provider for the following necessary third-party costs related to each loan, regardless of whether such loan ultimately closes or not: i. a one-time fee for valuation to the Provider in the amount of a hundred dollars (\$100);
- d. a one-time fee for title search to the Provider in the amount of one hundred fifty dollars (\$150);
- e. a one-time flood insurance fee to the Provider in the amount of twelve dollars (\$12);
- f. a one-time home valuation fee to the Provider in the amount of thirteen dollars (\$13);
 - i. In cases where a full appraisal is necessary, PRA will provide a one-time appraisal fee of Four Hundred and Twenty-Five Dollars (\$425);
- g. a one-time recording fee, for recording the mortgage, pursuant to current county fee schedules (currently two hundred and twenty-seven dollars (\$227) in Philadelphia); and
- h. a one-time credit report fee of twenty-five dollars (\$25).
- i. PRA will approve additional third-party fees on a case-by-case basis in such instances where the number of days between issuance of a Pre-qualification Letter and Loan Closing exceed one hundred twenty (120) days.
- j. PRA will pay a one-time recording fee, for recording the loan assignment to PRA, pursuant to current county fee schedules.

12. Who are the current lender partners?

a. The current lenders are Univest Bank and Fulton Bank.

13. Clarifi's website states that borrowers need to "Contact your lender to let them know the repair is complete. The lender needs to inspect the work before the contractors can be paid" whereas the RFP states "PNs are responsible for: Completing a final home inspection to verify repairs are completed." -

a. Does PN or Lender conduct the final inspection?

i. The Program Navigator (Clarifi) conducts the final inspection.

14. On page 4 of the RFP states the PN is responsible for "Verifying contractor estimates and payment receipts for loan draws" - however page 5 under the *Lender must originate loans at the following terms* section it states "Contractor(s) may seek an advance for up to 50% for contracted work, with the balance due upon completion of work. Final payment to contractor(s) will be made after all agreed-upon repairs have been completed" - this brings up a few questions:

a. Can you clarify

i. Who is making payments for the renovation work (PN or Lender)?

1. The lender makes the payments to the borrower (by check).

ii. Who they make payments to (Borrower or Contractor)

1. Please see the response to question 6c.

iii. Who is responsible for receipts for loan draws (PN or Lender)?

1. The PN collects and reviews contractor estimates. If the estimate is appropriate and sufficient, the PN approves it and requests the loan draw from the lender on the borrower's behalf. This process is handled in Quickbase.

iv. Is there only the initial assessment and final inspection? And who is responsible for each?

1. The PN conducts both the initial assessment and final inspection. Borrowers are welcome to request additional construction guidance from the PN, but no additional visits to the property are required.

15. Will the PN share information for each potential borrower with the lender (assessments, scope of work, estimates, income docs, credit, etc...)?

- a. Yes, all applicant information is uploaded to and shared securely in Quickbase, with the applicant's consent.

16. Page 7 of the RFP includes reimbursable 3rd party costs - would you also include

a. Satisfaction recording fee?

- i. PRA records the loan satisfaction.

b. Closing fees? - varies depending on title company used, but can include:

- i. Closing fee/Settlement Fee/Admin fee - range we see is \$150-250
- ii. Courier fee - ranges \$38-40
- iii. Doc prep - ranges \$8-55
- iv. Wire fee - ranges \$20-35
- v. Tax cert - \$90
- vi. Recording services fee - \$35
- vii. Please see the response to question 11

c. Lender's Title Policy? We currently require all borrowers to purchase a lender's title policy

- i. Title insurance is not required for RRR loans.

17. For credit reporting - if PN has a very recent credit report for the applicant, is it OK for the lender to use that and avoid another hard pull on the applicant's credit?

- a. This is not the current policy of RRR, but it could be discussed as an option.