



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
UNDERWRITING SERVICES  
FOR RE-GROW PR (RE-GROW), SMALL BUSINESS FINANCING (SBF) & HOMEBUYER  
ASSISTANCE (HBA) PROGRAMS

AMENDMENT C to the SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND THE  
PATHSTONE CORPORATION

Contract No. 2021-DR0212  
Amendment No. 2021-DR0212 C



This **AMENDMENT C TO THE SUBRECIPIENT AGREEMENT ("AMENDMENT C")** is entered into this 12 day of June, 2023, by and between the **PUERTO RICO DEPARTMENT OF HOUSING ("PRDOH")**, a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 *et seq.*, known as the "**Department of Housing Organic Act**" ("**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **PATHSTONE CORPORATION ("Subrecipient")**, a non-profit corporation, with principal offices at 400 East Avenue, Rochester, New York, represented herein by its Director of Housing Programs, María G. Rodríguez Collazo, of legal age, single, and resident of Guayama, Puerto Rico; collectively the "**Parties**".

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on May 17, 2021, the Parties executed a Subrecipient Agreement, registered as Contract Number **2021-DR0212 ("Agreement")**, for the amount of **seven hundred twenty-four thousand one hundred sixty-seven dollars with forty-nine cents (\$724,167.49)**, for the Subrecipient to provide **Underwriting Services** to the **Re-Grow PR Urban-Rural Agriculture Program (Re-Grow PR)**, **Small Business Financing Program (SBF)** and **Homebuyer Assistance Program (HBA)**. The Parties agreed on a performance period of **twelve (12) months** from the execution of the Agreement, ending on **May 16, 2022**.

**WHEREAS**, on May 5, 2022 the Parties executed an **Amendment A** to the Agreement, Contract Number **2021-DR0212A ("Amendment A")**, with the purpose of modifying certain sections of the existing agreement, as well as amending the **EXHIBIT A** (Scope of Work), **Exhibit B** (Timeline and Performance Goals), **Exhibit C** (Key Personnel), **Exhibit D** (Budget), **Exhibit E** (Funds Certification), **Exhibit F** (HUD General Provisions), and **Exhibit H** (Subrogation and Assignment Provisions). Via **Amendment A**, the performance period of the Agreement was extended by two (2) years, **ending on May 16, 2024**. Also, the total authorized budget allocated to the Subrecipient to continue undertaking its activities was increased by one million five hundred sixty thousand six hundred three dollars with fifty-one cents (\$1,560,603.51) for a modified total budget of **two million two hundred eighty-four thousand seven hundred seventy-one dollars (\$2,284,771.00)**.

**WHEREAS**, on November 21, 2022 the Parties executed an **Amendment B** to the Agreement, Contract Number **2021-DR0212B ("Amendment B")**, with the purpose of modifying certain sections of the existing agreement, as well as amending the **Exhibit D** (Budget), incorporating the **Exhibit E-II** (Funds Certification), updating the **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements), and adding a new **Exhibit J** (Non-Conflict Interest Certification). Via **Amendment B**, the total authorized budget allocated to the Subrecipient to continue undertaking its

activities was increased by one million six hundred fifty-three thousand one hundred one dollars (\$1,653,101.00) for a modified total budget of **three million nine hundred thirty-seven thousand eight hundred seventy-two dollars (\$3,937,872.00)**. The SRA Performance period remained the same, **ending on May 16, 2024**.

**WHEREAS**, as per Section IX (A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement.

**WHEREAS**, this **AMENDMENT C** does not constitute an extinctive novation of the obligations of the parties under the Agreement.

**WHEREAS**, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the Federal laws and regulations creating and allocating funds to the CDBG-DR Program, and the current Action Plan, to enter into this **AMENDMENT C**.

**WHEREAS**, the Subrecipient has duly adopted the Resolution of the Board of Directors with identification No. 7 of 2020 (certified by its Assistant Secretary, Leslie W. Kernan, Jr., dated May 5, 2023), and Resolution No. 6, Series 2012, dated September 29, 2012, both authorizing the Subrecipient, through its Director of Housing Programs, María G. Rodríguez Collazo, to sign this amendment; and by signing this **AMENDMENT C**, the Subrecipient assures the PRDOH that it shall comply with all the requirements described herein.

**NOW, THEREFORE**, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the Subrecipient agree to execute this **AMENDMENT C** subject to the following:

## II. TERMS AND CONDITIONS

### A. SAVINGS CLAUSE

The information included in this **AMENDMENT C** serves the purpose of modifying and amending certain terms and conditions under the Agreement, as established in the following sections B and C of this **AMENDMENT C**. All other provisions of the original Agreement, including its exhibits, shall continue to be in full force and effect.

### B. SCOPE OF THE AMENDMENT

As part of the Community Development Block Grant – Disaster Recovery (**CDBG-DR**) Program at the Puerto Rico Department of Housing (**PRDOH**), the Re-grow PR Urban-Rural Agriculture Program (**Re-Grow**) has established the goal to increase food security on the island and expand local agricultural production. As part of the CDBG-DR Program, the **Small Business Financing Program (SBF)** funds recovery grants up to a maximum of one hundred fifty thousand dollars (\$150,000) to cover working capital and/or equipment for affected businesses. Also, the **Homebuyer Assistance Program (HBA)** assists eligible households in the purchase of their first home, increasing the level of homeownership in impacted communities, contributing to long-term sustainability and viability of communities across the island.

In order to achieve the goals of the aforementioned programs, the Parties agreed on the need to amend the Agreement to increase the budget by nine hundred two thousand two hundred fifty-two dollars (\$902,252.00) for a new Budget Grand Total of **four million eight hundred forty thousand one hundred twenty-four dollars (\$4,840,124.00)**. The term of the Agreement will remain the same, **ending on May 16, 2024**.

Modifications to the **General Award Information** table in **Section I** of the Agreement are being incorporated via this **AMENDMENT C**. Also, **Section XII. FORCE MAJEURE** of the

Agreement is being updated. Moreover **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** is being added to the Agreement.

Updated versions of **Exhibit A** (Scope of Work), **Exhibit B** (Timelines and Performance Goals), **Exhibit C** (Key Personnel), **Exhibit D** (Budget), **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements) are being incorporated by reference into the Agreement as well. Moreover, an updated **Exhibit E-III** (Certification of Funds) is being incorporated by reference into the Agreement via this **AMENDMENT C**.

C. AMENDMENTS

a. The Parties agree to amend the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement as follows:

CDBG-DR Grantee Federal Award Identification Number:	B-18-DP-72-0001
CDBG-DR Grantee Federal Award Date:	February 21, 2020
Federal Award project description:	See <b>Exhibit A</b> ("Scope of Work")
CDBG-DR Grantee Unique Entity Identifier:	Unique Entity ID #: FFNMUBT6WCM1
Subrecipient Contact Information:	María G. Rodríguez Collazo Director of Housing Programs 1235 Paseo Las Monjitas Urb. Las Monjitas Ponce, PR 00730-3901 <a href="mailto:mrodriguez-collazo@pathstone.org">mrodriguez-collazo@pathstone.org</a> Tel. Office: (787) 829-6024 / (787) 829-7929
Subrecipient Unique Entity Identifier:	Unique Entity ID #: HNEZN8HPK785
Subaward Period of Performance:	Start Date: Effective Date, as defined in <b>Section V</b> of the Agreement, as amended. End Date: <b>May 16, 2024</b>
Funds Certification:	<div>Date: May 12, 2021 Authorized Amount: <b>\$724,167.49</b> Funds Allocation: CDBG-DR "R02A01ADM-DOH-LM" Account Number: 4190-10-000 See <b>Exhibit E</b> ("Funds Certification")</div> <div>Date: April 25, 2022 Authorized Amount: <b>\$1,560,603.51</b> Funds Allocation: CDBG-DR "R02E15SBF-EDC-LM" CDBG-DR "R02E15SBF-EDC-UN" CDBG-DR "R02E23RUR-DOA-LM" CDBG-DR "R02E23RUR-DOA-UN" CDBG-DR "R02H22HA-DOH-LM" CDBG-DR "R02H22SHA-DOH-UN" Account Number: 6090-01-000 See <b>Exhibit E-I</b> ("Funds Certification") For a total modified budget of <b>\$2,284,771.00</b></div>

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	<p>Date: October 4, 2022 Authorized Amount: <b>\$1,653,101.00</b> Funds Allocation: CDBG-DR "R02E23RUR-DOALM" CDBG-DR "R02E23RUR-DOA-UN" CDBG-DR "R02H22HA-DOH-LM" CDBG-DR "R02H22SHA-DOH-UN" Account Number: 6090-01-000 See <b>Exhibit E-II</b> ("Funds Certification") For a total modified budget of <b>\$3,937,872.00</b></p> <hr/> <p>Date: <b>May 23, 2023</b> Authorized Amount: <b>\$902,252.00</b> Funds Allocation: CDBG-DR "r02e15sbf-edc-lm" CDBG-DR "r02e15sbf-edc-un" Account Number: 6090-01-000 See <b>Exhibit E-III</b> ("Funds Certification") For a total modified budget of <b>\$4,840,124.00</b></p>
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b. The Parties agree to amend **Section XII. FORCE MAJEURE** as follows:

*In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the Contractor or Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.*

*The Contractor or Subrecipient shall notify the PRDOH in writing as soon as possible, but in any event within ten (10) business days of the occurrence of the Force Majeure event and describe in reasonable detail the nature of the Force Majeure event, how the non-performance or delay relates to or arises from the Force Majeure event, its anticipated duration and any action taken to minimize its effect. The Contractor or Subrecipient may be entitled to reasonable adjustments in schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than thirty (30) days, without reasonable justification, the PRDOH may terminate this Agreement immediately upon written notification to the Contractor or Subrecipient.*

c. The Parties agree to add **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** as follows:

*The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any*

amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a Notice to Proceed from PRDOH.

- d. **Exhibit A** (Scope of Work) of the Agreement is being replaced by an updated version of the **Exhibit A** (Scope of Work), hereto incorporated by reference into the Agreement (See **Attachment I**), to include the following modifications:

On **Exhibit A** (Scope of Work), in the table of Section 5 Tasks:

- The Task Number 5.8 has been replaced by the new "Grant Awards Closeout for Re-Grow and SBF Programs".
- The previous Task Number 5.8 has been moved to the new Task Number 5.9 "Compliance with Cross-Cutting Requirements".

On **Exhibit A** (Scope of Work), in Section 5.6 Underwriting Review for the HBA Program subtasks have been modified and added to read:

- Subtask 5.6.16 has been modified and added to read: "Perform underwriting review and QA/QC of PRHFA Underwriting contractors."
- Subtask 5.6.17 has been modified and added to read: "Perform report of QA/QC results, including observations and findings, if any."
- Subtask 5.6.18 has been added to read: "Send confirmation of underwriting complete, recommendations for award, underwriting requests for information, underwriting fail notifications and any other required Program notifications."
- Subtask 5.6.19 has been added to read: "Any other function necessary to support and complete underwriting review of applications and QA/QC activities."
- Subtask 5.6.20 has been added to read: "Any other tasks necessary to comply with the purposes of this SRA as requested and approved by PRDOH."

On **Exhibit A** (Scope of Work), the new Section 5.8 Grant Awards Closeout for Re-Grow and SBF Programs has been added with the following subtasks:

- Subtask 5.8.1: "Ensure that the program funding has been expended as stipulated in the terms of the grant agreement and suppliers have completed the tasks required by the award to the applicant."
- Subtask 5.8.2: "Ensure that receipts and evidence of use of funds of the award have been received from applicant and applicant complies with award terms as established in the grant agreement."
- Subtask 5.8.3: "Ensure that the payments for tasks performed as related to the applicant and their awards have been performed."
- Subtask 5.8.4: "Ensure that the supporting documentation, information, and log of applicant communications is included in the application file."
- Subtask 5.8.5: "Ensure that the applicant was able to obtain flood insurance, if applicable, after program funded activities are completed."
- Subtask 5.8.6: "Ensure compliance with 2 C.F.R. 200 Subpart F, 24 C.F.R. § 570.509, CPD Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application."
- Subtask 5.8.7: "Ensure that each program beneficiary has provided receipts and evidence of use of funds in compliance

with their Grant Agreements and Intended Use of Funds."

- Subtask 5.8.8: "Ensure that receipts are provided by the beneficiary in a timely manner as detailed in the Program Guidelines."
- Subtask 5.8.9: "Ensure that all funds recaptured from any beneficiary that did not provide receipts in compliance with the terms of their grant award, are processed and notified to PRDOH."

On **Exhibit A** (Scope of Work), in the new Section 5.9 Compliance with Cross Cutting Requirements has been modified and the following subtasks have been added:

- Subtask 5.9.1 has been modified and added to read: "Review cases that have been disbursed to ensure that each program beneficiary has provided receipts and evidence of use of funds in compliance with their Grant Agreements and Intended Use of Funds."
- Subtask 5.9.2 has been modified and added to read: "Ensure that receipts are provided by the beneficiary in a timely manner as detailed in the Program Guidelines."
- Subtask 5.9.3 has been added to read: "Ensure that all cases from any beneficiary that did not provide receipts in compliance with the terms of their grant award, are processed and notified to PRDOH and/or the subrecipient managing this process."
- Subtask 5.9.4 has been added to read: "Uniform Relocation Act Ensure - all Program activities comply with the URA, as outlined in its implementing regulation at 49 C.F.R. Part 24, and in accordance with the PRDOH URA and Residential Anti-Displacement Policy Guide, as applicable."
- Subtask 5.9.5 has been added to read: "Ensure Program Activities are carried out in a manner that is compliant with applicable cross-cutting requirements as outlined in the PRDOH cross-cutting policy guide, as may be amended from time to time, as applicable."

On **Exhibit A** (Scope of Work), in Section 6 Time performance:

- The content of the Section has been modified from "All Underwriting services shall be completed in a **twenty-four (24) months** period, as per the Term stated in the SRA." to "All underwriting services shall be completed within the Term stated in the SRA".

e. **Exhibit B** (Timeline & Performance Goals) of the Agreement is being replaced by an updated version of the **Exhibit B** (Timeline & Performance Goals) hereto incorporated by reference into the Agreement (See **Attachment II**) to include the following modifications:

On **Exhibit B** (Timeline & Performance Goals):

- On the Section 3.1 aptly titled RE-GROW PROGRAM, the Target of the Key Activity 1.1 has been modified to read: "100% of cases submitted to Program Partner for underwriting analysis; or at least 267 cases per month (or 800 cases per quarter) submitted with recommended determinations". Moreover, this also modifies the corresponding bullet in Subsection 3.1.1 Key Activity 1.1.
- A new Section has been added titled: 3.2 RE-GROW PROGRAM - OBJECTIVE 2: CLOSE FILES OF GRANT AWARDS PROVIDED, VERIFY COMPLIANCE WITH ALL GRANT AGREEMENTS, GATHER REQUIRED

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DOCUMENTATION, AND TAKE APPROPRIATE ACTIONS. This Section includes Key Objectives, Key Activities, Indicators, Sources of Verification, Targets, Timelines, and their relevant narratives for the Activities detailed as subsection 3.2.1 Key Activity 2.1 COMPLETE RECEIPT REVIEW PROCESS and subsection 3.2.2 Key Activity 2.2 GATHER ALL NECESSARY DOCUMENTATION FOR CASE CLOSEOUT.

- The previous Section 3.2 SBF PROGRAM has been relegated to Section 3.3.
- On the Section 3.3 aptly titled SBF PROGRAM, the Target of the Key Activity 3.1 has been modified to read: "100% of cases submitted to Program Partner for underwriting analysis; or at least 120 cases per month (or 360 cases per quarter) submitted with recommended determinations". Moreover, this modifies the corresponding bullet in Subsection 3.3.1 Key Activity 3.1.
  - ✓ On this adjusted Section 3.3, the Timelines for both Key Activities 3.1 and 3.2 have been adjusted from "Q2 2021- Q2 2022" to "Quarterly from Q2 2022 to Q2 2024".
  - ✓ On Subsection 3.3.2 SUPPORT PROCESSING OF PROGRAM BASED CONSIDERATION REQUESTS AND COMPLAINTS RESOLUTION, the first sentence of the first paragraph has been modified to read: "The program-based reconsideration requests resolution task involves support activities on the Underwriters behalf which may be necessary for PathStone to respond to information requests, meetings, and other requests to support analysis performed during their normal activities under their Scope of Work, for program-based reconsideration requests initiated by program applicants."
  - ✓ The third sentence in the second paragraph of this Section 3.3.2 has been modified to read: "BDE shall compile all information required by PRDOH in order to resolve the complaint, PathStone must assist in this process to ensure all information necessary for the resolution of the reconsideration is present in the case files."
- A new Section has been added titled: 3.4 titled SBF PROGRAM – OBJECTIVE 2: CLOSE FILES OF GRANT AWARDS PROVIDED, VERIFY COMPLIANCE WITH ALL GRANT AGREEMENTS, GATHER REQUIRED DOCUMENTATION, AND TAKE APPROPRIATE ACTIONS. This Section includes Key Objectives, Key Activities, Indicators, Sources of Verification, Target, Timelines, and their relevant narratives for the Activities detailed as subsection 3.4.1 COMPLETE RECEIPT REVIEW PROCESS and 3.4.2 GATHER ALL NECESSARY DOCUMENTATION FOR CASE CLOSEOUT.
- The previous Section 3.3 HBA PROGRAM has been relegated to Section 3.5.
- On the Section 3.5 aptly titled HBA PROGRAM, the Key Objective #5 has been modified to read: "Complete underwriting review of Program applications to make an award recommendation to HBA Partner PRHFA and Perform underwriting review and QA/QC from PRHFA Underwriting contractors."
  - ✓ The Indicator of the Key Activity 5.1 has been modified to add: "% of cases reviewed (QA/QC) from PRHFA Underwriting contractors."
  - ✓ A Source Of Verification has also been added to the aforementioned Activity as: "QA/QC of a minimum of 20% of monthly closed cases".
  - ✓ Furthermore, the previous Target: "At least 250 per

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month (or 750 per quarter) have recommended determinations" has been removed. New Targets have been included: "QA/QC of a minimum of 20% of monthly closed cases" and "Monthly recommended determinations as requested by PRDOH."

- ✓ Moreover, this modifies the corresponding bullet in Subsection 3.3.1 Key Activity 3.1.
- ✓ In the Narrative of Subsection 3.5 Key Activity 3.5.1, the fourth sentence of the third paragraph has been modified to read: "The target for this activity is for Underwriters to complete **one hundred percent (100%)** of the cases submitted for underwriting analysis, perform QA/QC from PRHFA Underwriting contractors, and perform monthly award determination recommendations as per PRDOH request."

f. **Exhibit C** (Key Personnel) of the Agreement is being replaced by an updated version of the **Exhibit C** (Key Personnel) to include new "Business Development Specialist" positions (See **Attachment III**), and to include the following modifications:

- The following position has been added: Close-out & Compliance Specialist with the corresponding role description.
- The following positions have been renamed to allow flexibility of use between Programs:
  - Deputy Director for Economic Development has been renamed to "Deputy Director".
  - Business Development Officer has been renamed to "Underwriting Officer".
  - Director of Housing Programs has been renamed to "Director of Programs".
  - Homebuyer Programs Specialist has been renamed to "Programs Specialist".
- The following Position descriptions have been modified:
  - Deputy Director – Sentence has been added reading "Perform these tasks for the HBA Program as requested by PRDOH."
  - Underwriting Officer - Sentence has been added reading "Perform these tasks for the HBA Program as requested by PRDOH."
  - Director of Programs – First sentence modified to read "Implement programmatic strategies to meet national objectives for HBA Program and Close Out for Re-Grow and SBF."
  - Programs Specialist – Sentence has been added reading "Perform review of Program Guidelines and perform QA/QC on awarded cases, as requested by Program with Underwriting Services."
- A Notes section has been added reading:
  1. Position names may not necessarily coincide with current positions within Subrecipient's roster of employees; nevertheless, invoices submitted by Subrecipient must coincide with the position names indicated in this Exhibit.
  2. Subrecipient may use one (1) or more of its employees for each of the approved staff positions, therefore the maximum budget shall

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consider the summary of payroll costs for employees authorized for the position.

3. Subrecipient payroll operates on a bi-weekly basis, therefore on various months during the year the total maximum hour per position is up to one hundred and eighty (180) hours.

g. **Exhibit D** (Budget) of the Agreement is being replaced by an updated version of the Exhibit D (Budget) hereto incorporated by reference into the Agreement (See **Attachment IV**), to modify the following:

- In the Staffing Section:
  - Underwriting Officer Position - Amendment C increases the Underwriting Officer Positions from eight (8) in Amendment B to fourteen (14). The rates for these positions have been replaced and broken down the following way:
    - One (1) Underwriting Officer with an Estimated Hourly Rate of \$39.27.
    - Thirteen (13) Underwriting Officers with an Estimated Hourly Rate of \$34.09.
  - Director of Programs Position - Amendment C increases the Estimated Hourly Rate from \$90.13 to \$92.25.
  - Programs Specialist Position – Amendment C decreases the Programs Specialist Positions from twelve (12) to two (2). The rates for these positions have been replaced and broken down the following way:
    - One (1) Programs Specialist with an Estimated Hourly Rate of \$31.33.
    - One (1) Programs Specialist with an Estimated Hourly Rate of \$29.17.
  - Six (6) Close-out & Compliance Specialist Positions have been created in Amendment C:
    - Estimated Hours per month per Resource of one hundred seventy-six (176).
    - Months Needed twenty-four (24).
    - One (1) Close-out & Compliance Specialist with an Estimated Hourly Rate of \$30.74 for a total Estimated Monthly Cost of \$5,410.24. Estimated Cost for the Program of \$129,846.00.
    - Five (5) Close-out & Compliance Specialists with an Estimated Hourly Rate of \$26.30 for an Estimated Monthly Cost of \$23,144.00. Estimated Cost for the Program of \$555,456.00.

Assistant Position increased from three (3) Amendment B to five (5) in Amendment C:

The Estimated Hourly Rate for these positions has decreased from \$23.85 in Amendment B to \$23.07.

The Staffing Section Total Cost for 2 years (24 Months) has been increased by \$621,239.00 to a new Total of \$3,761,142.00.

A Professional Services Section with a Total Budget for Services to be contracted of \$12,800.00 has been added to the Budget comprised of the following two items:

- **IT Services** with the corresponding services description and a Budget amounting to \$7,800.00.
- **Auto attendant Services** with the corresponding services description and a Budget amounting to \$5,000.00.
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- In the Other Operating Section, Total Expenses Budget has been increased by \$256,213.00 from \$759,969.00 Amendment B to a

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new total of \$1,016,182.00. This section reflects the following modifications:

- **Indirect Cost** - Increased by \$181,213.00 from \$572,090.00 in Amendment B to a new total of \$753,303.00.
- **Rent** - Increased by \$58,000.00 from \$182,000.00 in Amendment B to a new total of \$240,000.00.
- **Telephones & Utilities** - New Item added with its corresponding description and a budget amount of \$35,000.00.
- **Travel** - The Budget for this item has remained the same.

- o In the Equipment Section, the Total Expenses Budget has been increased by \$12,000.00 from a total of \$38,000.00 in Amendment B to a new total of \$50,000.00.

- The only item in this Section, Office Equipment, reflects this increase of \$12,000.00.

- The description of the Office Equipment Item has been modified to read "Equipment such as but not limited to computers, monitors, backup batteries, copier, printer, scanner, desks and chairs for the program."

- o Budget Grand Total has been increased to \$4,840,124.00.

- h. An updated **Exhibit E-III** (Funds Certification) is being incorporated by reference into the Agreement. (See **Attachment V**).

### III. SEVERABILITY

If any provision of this **AMENDMENT C** is held invalid, the remainder of **AMENDMENT C** shall not be affected thereby, and all other parts of this **AMENDMENT C** shall nevertheless be in full force and effect.

### IV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this **AMENDMENT C** are included for convenience only and shall not limit or otherwise affect the terms of the Agreement, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this **AMENDMENT C**.

### V. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this **AMENDMENT C** to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this **AMENDMENT C** and any subsequent amendment thereto. The services object of this **AMENDMENT C** may not be invoiced or paid until this **AMENDMENT C** has been registered by the PRDOH at the Comptroller's Office, under Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

### VI. ENTIRE AGREEMENT

The Agreement, as amended, constitutes the entire agreement among the Parties for the use of funds received under the Agreement, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties concerning the Agreement, as amended.

### VII. FEDERAL FUNDING

The fulfillment of the Agreement, as amended, is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures

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under the Agreement, as amended, must be made in accordance with the Agreement, as amended, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, the Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.

**VIII. NON-CONFLICT OF INTEREST CERTIFICATION**

The Subrecipient reassures PRDOH its willingness to comply with the applicable conflict of interest policies by signing the Non-Conflict of Interest Certification incorporated by reference into the Agreement via this **AMENDMENT C**. (See **Attachment VI**).

**IN WITNESS THEREOF**, the Parties hereto execute this **AMENDMENT C** in the place and on the date first above written.

**PUERTO RICO DEPARTMENT OF HOUSING  
CDBG-DR Grantee**

By: William O. Rodriguez Rodriguez  
William O. Rodriguez Rodriguez (Jun 12, 2023 17:40 EDT)  
Name: William O. Rodríguez Rodríguez  
Title: Secretary

**PATHSTONE CORPORATION  
Subrecipient**

By: [Signature]  
Name: María G. Rodríguez Collazo  
Title: Director of Housing Programs



## EXHIBIT A

### SCOPE OF WORK

#### UNDERWRITING SERVICES FOR

#### RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM

#### SMALL BUSINESS FINANCING PROGRAM

#### HOMEBUYER ASSISTANCE PROGRAM

#### PATHSTONE CORP.

The Puerto Rico Department of Housing (**PRDOH**) is issuing this Scope of Work to seek Underwriting Services to support PRDOH and Program Partners<sup>1</sup>, with efforts on various Community Development Block Grant - Disaster Recovery (**CDBG-DR**) Programs. The underwriting processes shall consist of a detailed and systematic analysis of a potential Applicant's creditworthiness, including employment history, salary, financial statements and performance, publicly available information, and independent credit reports. Upon completion of a formal underwriting process and a summary, the grants, shall be feasible for either approval or rejection by the Program Partners. The extent of the Scope of Work is to support the Re-Grow PR Urban Rural Agriculture Program (**Re-Grow Program**), Small Business Financing Program (**SBF Program**) and Homebuyer Assistance Program (**HBA Program**), also collectively the "Programs with Underwriting Services".

#### 1. Programs Overview/Background

##### A. Re-Grow Program

The goal of the Re-Grow Program is to increase food security on the island and expand local agricultural production. The Re-Grow Program is a response to the devastation Hurricanes Irma and María inflicted on Puerto Rico's agriculture economy that will reduce vulnerability to future events and simultaneously revitalize an important sector of Puerto Rico's economy.

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<sup>1</sup> Program Partners are subrecipients as defined in 2 C.F.R. § 200.93 who perform grant management duties under PRDOH involving turnkey administration of programs under the PRDOH CDBG-DR portfolio.

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## B. SBF Program

SBF Program funding supports small business and microenterprise recovery through the initial funding of Recover/ Grants up to a maximum of one hundred fifty thousand dollars (\$150,000) to cover working capital and moveable equipment to support the rehabilitation or new construction of small business facilities.

## C. HBA Program

The goal of the HBA Program is to assist eligible households in the purchase of their first home, thereby increasing the level of homeownership in impacted communities and contributing to long-term sustainability and viability of communities across the Island:

## 2. National Objective

All activities of a CDBG-DR Program must meet one (1) of the three (3) National Objectives defined in the authorizing statute of the CDBG program at 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5305. The PRDOH anticipates that each Program's eligible activities will meet one of the below listed national objectives. PRDOH will work with entities who are funded through these Programs to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
  - Job Creation/Retention
  - Area Benefit
  - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

PRDOH has set a programmatic goal to expend fifty percent (**50%**) of **Re-Grow Program** funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

PRDOH has set a minimum goal to expend thirty percent (**30%**) of **SBF Program** funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

The **HBA Program** currently serves both LMI households as well as those with Urgent Need. PRDOH has set a goal to spend at least thirty percent (**30%**) of its Program budget on LMI households.

### 3. Program Description

- **Re-Grow Program**

The Re-Grow Program will provide grants to existing, restarting, or start-up small farms, farmers, and agricultural businesses. These grants are intended to strengthen the agricultural sector of the Puerto Rican economy. Eligible applicants can apply for up to one hundred fifty thousand dollars (**\$150,000**) in direct grant assistance for eligible program costs as outlined in the Re-Grow Program Guidelines. The amount of the grant award will be determined through eligibility review, underwriting, and a duplication of benefits calculation performed based on information from an online application for assistance.

In addition to providing grants, the Re-Grow Program will also provide a wide range of technical assistance activities across the agriculture sector, giving farms and farmers access to essential services and resources. The technical assistance is intended to build capacity in organizations and agencies that bolster the agricultural sector of the economy.

- **SBF Program**

The SBF Program will assist eligible Puerto Rico owned and operated microenterprises and small businesses to help restart operations and/or recover in the wake of Hurricanes Irma and/or María by providing Recover/ Grants up to one hundred fifty thousand dollars (**\$150,000**) for working capital and movable equipment. The amount of the grant and timing of draws will be based on the determination of unmet need and eligible expenses as assessed in a business's Application to the Program.

- **HBA Program**

Program funding will support homebuyers with the purchase of an existing property by providing for closing cost and/or down payment up to a maximum of forty-five thousand dollars (**\$45,000**) per eligible LMI and Urgent Need

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households; and a maximum of fifty-five thousand dollars (**\$55,000**) per eligible Low and Moderate-Income and Urgent Need households for households with Critical Recovery Workforce members. The Program will provide an additional redevelopment incentive of up to five thousand dollars (**\$5,000**) to eligible households who elect to purchase a home in a designated urban center, as defined by the PRDOH.

The primary objectives of the Homebuyer Assistance Program are:

- Benefit Low-to-Moderate Income Persons Objective: To benefit LMI households as defined by the United States Department of Housing and Urban Development (**HUD**) Modified Income Limits for Puerto Rico under the CDBG-DR Program.
- Urgent Need Objective: To meet the urgent need of reducing outmigration caused by the Hurricanes in order to maintain the sustainability and economic viability of communities across Puerto Rico by improving homeownership opportunities for households below one-hundred and twenty percent (**120%**) AMFI.

#### 4. Key Activities

To implement the Programs objectives as described above, key activities to be carried out by Subrecipient performing Underwriting Services include, but are not limited to:

1. Evaluate program applicant documentation according to underwriting criteria as set in Program Guidelines, standard operating procedures (**SOPs**), and pertinent standard financial practice to determine if cases demonstrate compliance with underwriting requirements.
2. When necessary, Re-Grow and SBF, gather additional financial supporting documentation from program applicant to verify compliance with underwriting requirements. This documentation should only be gathered on a case-by-case basis when eligibility documentation is insufficient to determine financial characteristics and conditions of a program applicant.
3. Assist program applicants, Re-Grow and SBF, with prompt assistance to help them through the process in a timely manner and increase applicant engagement.

4.
- Continuously improve underwriting efficiency and ensure staffing capacity to successfully execute the Re-Grow, SBF and/or HBA Programs underwriting performance targets.
5.
- Respond to Program Partner or PRDOH requests for information related to Programs Based Reconsideration Requests and Complaints Resolution.

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For all Programs under Underwriting Services, grant amounts will be calculated based on demonstrated unmet needs. Application criteria, National Objectives, and program guidelines are published on the disaster recovery website subsequent PRDOH approval ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)).

If additional CDBG-DR funds are allocated to Puerto Rico during the life of the SRA, Subrecipient staff may be assigned to work on those future federal grants awarded and potentially expand those services to accommodate other CDBG-DR programs yet to be defined in the current Action Plan. There is no guarantee of a minimum level of services which may be requested by the PRDOH under the SRA.

5. Tasks

The Subrecipient will serve as Underwriter for the Re-Grow, SBF and/or HBA Programs under this SRA with PRDOH. In addition to the tasks included herein, the Subrecipient shall perform any other task necessary for the proper performance of the services under the SRA.

Task Number	Task
5.1	Office Configuration and Logistics
5.2	Project Management
5.3	Document Control and Management
5.4	Accounting and Reporting
5.5	Underwriting and Financial Review Re-Grow and SBF Programs
5.6	Underwriting Review for HBA Program
5.7	Financial Review for HBA Program
5.8	Grant Award Closeouts for Re-Grow and SBF Programs
5.9	Compliance with Cross-Cutting Requirements

The Subrecipient will prepare and submit all necessary documentation related to proposed projects for development under the Programs with Underwriting Services. Proposed projects documentation shall demonstrate compliance with all eligibility requirements established in **Re-Grow**, **SBF** and **HBA** Program Guidelines.



PRDOH will provide funding and technical assistance to the Subrecipient to complete the following tasks as applicable to each of the Programs with Underwriting Services:

### 5.1 Office Configuration and Logistics

- 5.1.1 Set-up offices and secure necessary equipment for these offices to function. Office spaces must be suitable for the services to be provided, and provide required visitor amenities such as on-site parking, rest rooms, and comply with ADA accessibility requirements.
- 5.1.2 Secure or provide workspace items and materials such as furnishings and equipment for the offices (including such items as computers, printers, office materials, etc.).
- 5.1.3 Secure equipment and technologies required to support remote or virtual Program operations (including items such as laptop computers and WiFi devices).
- 5.1.4 Establish satellite offices as needed to support Programs demands.

### 5.2 Project Management

- 5.2.1 Establish, communicate, prioritize, and enforce production and performance goals in alignment with Programs priorities and objectives. Lead coordination and control over execution of all Programs activities including direct communication with the Case Managers to coordinate the documentation of the cases.
- 5.2.2 Monitor and control team performance in accordance with established performance goals, regulatory compliance, and quality standards and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- 5.2.3 Create, maintain, and control project plan which includes clear critical path, task dependencies, identified slack, resource allocation (including human and other resources), and activity status.
- 5.2.4 Deliver staff listed in **Exhibit C** promptly to support Programs demands as committed to in **Exhibit B**, which may increase and decrease or change throughout the Program life cycle. Ensure sufficient and adequate staffing levels at all times to support timely and efficient Programs operations. The foregoing should not be construed as a limitation for PRDOH to request that a resource assigned to a Program be reallocated to another of the Programs that constitute this SRA in accordance with the needs of the Programs. Reallocation of personnel between the Programs, or personnel positions assigned to a particular program does not require an Amendment to this SRA.
- 5.2.5 Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Program

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- goals, risk management, quality assurance, stakeholder management, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.
- 5.2.6 Lead and review all program monitoring activities to prepare and present reports, data, documents, or other information as required by the PRDOH, HUD, the US Office of Inspector General (**OIG**), or other oversight entities.
  - 5.2.7 Engrain transparent, regular reporting to ensure stakeholders of all levels and importance remain informed and empowered to make decisions and report on issues such as, but not limited to: risk, Program progress, milestones achieved, performance issues, Program successes, compliance concerns, and Program demographics.
  - 5.2.8 Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all Program participants, including Applicants, vendors, and stakeholders are aware of all policy changes.
  - 5.2.9 Support in the implementation of the Programs in a compliant manner, per the CDBG-DR regulations, policies, procedures, and all applicable state, local and federal regulations.
  - 5.2.10 Identify and promote any other function in support of the successful achievement of Programs' objectives.

### 5.3 Document Control and Management

- 5.3.1 In accordance with HUD regulations, follow the records retention requirements as cited in 24 C.F.R. § 84.53, which includes: financial records, supporting documents, statistical records, and all other pertinent records. Following PRDOHs' CDBG-DR Recordkeeping Management & Accessibility Policy; records must be maintained for **five (5) years**.
- 5.3.2 Maintain a clearly defined process for acquiring, organizing, storing, retrieving, and reporting on financial records and project and activity records.
- 5.3.3 Store, archive, and retrieve physical documents and electronic images of all paper documents, Applicant-related emails, correspondence, training material, policies and procedures, and other documents or materials as may be required.
- 5.3.4 Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file, and return of a file.

- 5.3.5 Ensure all project information and documentation is available at all times in the system of record.
- 5.3.6 Any systems, tools, or technology provided must meet Personal Identifiable Information (**PII**) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552a (**Privacy Act**), 24 C.F.R. Part 5, and PRDOH policy for protection of PII.
- 5.3.7 Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:
- 5.3.7.1 Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirements, as applicable;
  - 5.3.7.2 Financial Records providing full description of each activity;
  - 5.3.7.3 Records verifying that activity meets national and grant objectives;
  - 5.3.7.4 Records related to demonstrating eligibility of activities;
  - 5.3.7.5 Records required to document activity related to real property;
  - 5.3.7.6 Records and reports required by the Programs with Underwriting Services; and
  - 5.3.7.7 Records supporting any specific requirements of the Re-Grow, SBF and HBA Programs or the CDBG-DR allocations.
- 5.3.8 Any other task necessary for the proper document control management.

#### 5.4 Accounting and Reporting

- 5.4.1 Provide status reports on a regular basis to keep the PRDOH and/or Program Partners informed of progress.
- 5.4.2 As requested, meet with the PRDOH or Program Partners to discuss the status of the project, Applicant concerns, and any other issues that may have arisen during the administration of the assigned Programs with Underwriting Services.
- 5.4.3 Provide the PRDOH with project progress reports on demand, as well as access to independently maintained project management system for PRDOH to monitor the project.
- 5.4.4 Report on information that includes project activity deemed critical by the PRDOH.
- 5.4.5 Compile and review information necessary to prepare reports required under HUD regulations.
- 5.4.6 Reconcile with the PRDOH, on an established periodic basis, a

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complete inventory of assets with an acquisition price of five hundred dollars (**\$500**) or more and a useful life of **one (1) year** or longer, furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.

- 5.4.7 Review and submit recommendations for approval of CDBG-DR funding requests if needed.
- 5.4.8 Review requests for payment from Applicants for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.
- 5.4.9 Any other task necessary to ensure proper accounting and reporting as related to the specific Program.
- 5.4.10 All purchases conducted with any CDBG-DR funds must comply with all applicable regulations contained in 2 C.F.R. § 200.318 through §200.327.

### **5.5 Underwriting and Financial Review Re-Grow and SBF Programs**

- 5.5.1 Gather underwriting documents and data – Assist Applicants in providing, and obtaining all documentation required to perform underwriting for grants, inclusive of, but not limited to, information regarding previous benefits received from public and private sources, financial statements, credit reports, external funding commitments, and tax returns. Assistance may include, but is not limited to, providing technical assistance or guidance to Applicants, or contacting third party entities on the Applicant's behalf to obtain information. This documentation should only be gathered on a case-by-case basis when eligibility documentation is insufficient to determine financial characteristics and conditions of a program applicant. In some circumstances, the Underwriter may need to contact the program applicant to clarify documentation.
- 5.5.2 Perform grant underwriting based on PRDOH established underwriting criteria, and in conformance with the requirements of 24 C.F.R. Part 570, Appendix A for economic development activities, inclusive of:
- 5.5.2.1 Reasonableness of project costs.
  - 5.5.2.2 Verifying that all project funding sources are accurate and committed.
  - 5.5.2.3 That to the extent practicable, CDBG-DR funds are not substituted for non-Federal financial support.
  - 5.5.2.4 That the project is financially feasible.
  - 5.5.2.5 That to the extent practicable, the return on the owner's equity investment will not be unreasonably high.
  - 5.5.2.6 That to the extent practicable, CDBG funds are disbursed on

a pro rata basis with other finances provided to the project.

- 5.5.3 Perform Duplication of Benefits analysis, in accordance with Stafford Act (42 U.S.C. § 5155), including but not limited to acquiring documentation, reviewing benefits, and determining unmet needs.
- 5.5.4 Determine Applicant award amounts based on Programs policies and procedures, to and with consideration for preventing duplication of benefits.
- 5.5.5 Use third-party datasets, as provided by PRDOH, to research previous benefits received by Program Applicants and account for previous benefits received that are duplicative and non-duplicative of funding provided by the Program.
- 5.5.6 Obtain supporting financial documentation, where applicable, for Applicants, in accordance with applicable statutory and regulatory requirements.
- 5.5.7 Ensure continuous underwriting review of Applications with a goal of maintaining a pace to award the total Program budget set aside for grants within the term of this SRA, pending enough approved Applications are received.
- 5.5.8 Ensure consistent and timely treatment of all Applicants and underwriting reviews and take all precautions necessary to avoid delays in the processing of underwriting reviews.
- 5.5.9 Properly document and submit comments for all determinations, decisions, and/or clarifications undertaken. Ensure every application file is supported with enough comments and notes that all third parties reviewing file can understand the reason why checklist items were passed or failed and can follow the entire process from intake to final determination and closeout.
- 5.5.10 Ensure that underwriting for recovery grants follow HUD guidelines at 24 C.F.R. § 570.209 as the financial underwriting framework for evaluating the feasibility of Applications and adheres to program guidelines and procedures.
- 5.5.11 Perform validation of and determine pass or fail on each underwriting criteria.
- 5.5.12 Perform underwriting analysis including but not limited to evaluating that: making final underwriting determinations, calculating unmet needs, award amount, project costs are reasonable; all sources of project financing are committed; and the project is financially feasible. Also, to the extent practicable that: the return on the owner's equity investment will not be unreasonably high; CDBG-DR funds are disbursed on a pro rata basis if other sources of funds are provided to the project; and CDBG-DR funds are not substituted for non-Federal financial support.

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- 5.5.13 Prepare the intended use of funds for review of Re-Grow and/or SBF Program Partner, PRDOH or appointed.
- 5.5.14 Subrecipient shall adhere to PRDOH's financial management policies and procedures as outlined in the Financial Policy, the Program Guidelines, or policies and procedures for this Program, including but not limited to:
- 5.5.15 Follow PRDOH Finance policies and protocols for submitting and processing Request for Payments, including use of the PRDOH's CDBG-DR Finance System.
- 5.5.16 Review the Request for Payment, and submit to PRDOH; and
- 5.5.17 Establish a separate bank account to receive payments from PRDOH of HUD CDBG-DR funds.
- 5.5.18 Account and reporting of uses of CDBG-DR funds, including but not limited to information on National Objectives met, beneficiary demographics, and case completion status.
- 5.5.19 Maintain work in the designated System of Records, per the CDBG-DR Program Records Retention Policy and applicable regulatory requirements.
- 5.5.20 Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to the PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.
- 5.5.21 Follow monitoring policies and procedures as directed by PRDOH.
- 5.5.22 Send confirmation of underwriting complete, recommendations for award, underwriting requests for information, underwriting fail notifications and any other required Program notifications. Notifications may be sent via email or postal mail, in accordance with any applicable regulations and Applicant communication preferences.
- 5.5.23 Coordinate closing meetings when necessary.
- 5.5.24 Any other function necessary to support and complete underwriting review of applications.
- 5.5.25 Complete documents required by PRDOH for environmental review.

## **5.6 Underwriting Review for HBA Program**

- 5.6.1 Perform the CDBG-DR assistance underwriting in accordance with the Program Guidelines and documents.
- 5.6.2 Review the mortgage loan information in the HBA system of subsidy and ensure that the loan type is eligible and that the loan features comply with the Ability-to-Repay/Qualified Mortgage Rule.
- 5.6.3 Determine if the loan meets the Program requirements.
- 5.6.4 Assess the Applicant's ability to pay the monthly mortgage carrying costs and the long-term financial viability of the purchase.

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- 5.6.5 Evaluate the Applicant's back-end ratio and calculate the subsidy amount required to lower it as close to thirty-six percent (**36%**).
- 5.6.6 Ensure that closing costs are reasonable by adhering to the Qualified Mortgage Rule and applicable mortgage regulatory guidance.
- 5.6.7 Review case file documents and data from the HBA system of subsidy. In some circumstances, the Underwriter may need to contact the Program applicant's lending institution to clarify documentation.
- 5.6.8 Review each application to determine if previous applicable funding awarded or gifted to the applicant was received for the same purpose. Determine the Applicant's total unmet needs first and then calculate the Applicant's duplication of benefits.
- 5.6.9 Ensure that the Applicant did not receive assistance that is duplicative, unnecessary, or unreasonable. In case funds are considered duplication of benefits under the Program, deduct from the total unmet need determination as part of the underwriting review. Ensure compliance with the Stafford Act through collection, analysis, and verification of third-party benefits received by Applicants for the purposes of homeownership assistance. Review the lending documentation to ensure that duplicative assistance is accounted for in the unmet need calculation.
- 5.6.10 Based the underwriting determination on the appraised value of the property at closing.
- 5.6.11 Review cases to determine recommendation to submit to Program Partner.
- 5.6.12 Review award amount meets the underwriting criteria to be limited to the minimum amount necessary to qualify for the mortgage loan needed to purchase the property and review property meets the underwriting criteria based on eligibility requirements.
- 5.6.13 Ensure consistent and timely treatment of applications and underwriting reviews and take all precautions necessary to avoid delays in the processing of underwriting reviews.
- 5.6.14 Properly document and submit comments for all determinations, decisions, and/or clarifications undertaken. Ensure every application file is supported with enough comments and notes that all third parties reviewing file can understand the reason why checklist items were passed or failed and can follow the entire process from intake to final determination and closeout.
- 5.6.15 Perform validation of and determine pass or fail on each underwriting checklist item.
- 5.6.16 Perform underwriting review and QA/QC of PRHFA Underwriting contractors.
- 5.6.17 Perform report of QA/QC results, including observations and findings, if any.

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- 5.6.18 Send confirmation of underwriting complete, recommendations for award, underwriting requests for information, underwriting fail notifications and any other required Program notifications.
- 5.6.19 Any other function necessary to support and complete underwriting review of applications and QA/QC activities.
- 5.6.20 Any other tasks necessary to comply with the purposes of this SRA as requested and approved by PRDOH.

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#### **5.7 Financial Review for HBA Program**

- 5.7.1 Subrecipient shall adhere to PRDOH's financial management policies and procedures as outlined in the Financial Policy, the Program Guidelines, or policies and procedures for this Program, including but not limited to:
- 5.7.2 Follow PRDOH Finance policies and protocols for submitting and processing Request for Payments, including use of the PRDOH's CDBG-DR Finance System.
- 5.7.3 Review the Request for Payment, and submit to PRDOH; and
- 5.7.4 Establish a separate bank account to receive payments from PRDOH of HUD CDBG-DR funds.
- 5.7.5 Account and reporting of uses of CDBG-DR funds, including but not limited to information on National Objectives met, beneficiary demographics, and case completion status.
- 5.7.6 Maintain work in the designated System of Records, per the CDBG-DR Program Records Retention Policy and applicable regulatory requirements.
- 5.7.7 Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to the PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.
- 5.7.8 Follow monitoring policies and procedures as directed by PRDOH.

#### **5.8 Grant Awards Closeout for Re-Grow and SBF Programs**

- 5.8.1 Ensure that the program funding has been expended as stipulated in the terms of the grant agreement and suppliers have completed the tasks required by the award to the applicant.
- 5.8.2 Ensure that receipts and evidence of use of funds of the award have been received from applicant and applicant complies with award terms as established in the grant agreement.
- 5.8.3 Ensure that the payments for tasks performed as related to the applicant and their awards have been performed.
- 5.8.4 Ensure that the supporting documentation, information, and log



- of applicant communications is included in the application file.
- 5.8.5 Ensure that the applicant was able to obtain flood insurance, if applicable, after program funded activities are completed.
  - 5.8.6 Ensure compliance with 2 C.F.R. 200 Subpart F, 24 C.F.R. § 570.509, CPD Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application.
  - 5.8.7 Ensure that each program beneficiary has provided receipts and evidence of use of funds in compliance with their Grant Agreements and Intended Use of Funds.
  - 5.8.8 Ensure that receipts are provided by the beneficiary in a timely manner as detailed in the Program Guidelines.
  - 5.8.9 Ensure that all funds recaptured from any beneficiary that did not provide receipts in compliance with the terms of their grant award, are processed and notified to PRDOH.

#### **5.9 Compliance with Cross-Cutting Requirements**

- 5.9.1 Review cases that have been disbursed to ensure that each program beneficiary has provided receipts and evidence of use of funds in compliance with their Grant Agreements and Intended Use of Funds.
- 5.9.2 Ensure that receipts are provided by the beneficiary in a timely manner as detailed in the Program Guidelines.
- 5.9.3 Ensure that all cases from any beneficiary that did not provide receipts in compliance with the terms of their grant award, are processed and notified to PRDOH and/or the subrecipient managing this process.
- 5.9.4 Uniform Relocation Act – Ensure all Program activities comply with the URA, as outlined in its implementing regulation at 49 C.F.R. Part 24, and in accordance with the PRDOH URA and Residential Anti-Displacement Policy Guide, as applicable.
- 5.9.5 Ensure Program Activities are carried out in a manner that is compliant with applicable cross-cutting requirements as outlined in the PRDOH cross-cutting policy guide, as may be amended from time to time, as applicable.

#### **6. Time Performance**

All underwriting services shall be completed in within the Term stated in the SRA.

#### **7. Budget**

Please refer to **Exhibit D**.

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## EXHIBIT B

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### TIMELINES AND PERFORMANCE GOALS

#### RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM

#### SMALL BUSINESS FINANCING PROGRAM

#### HOMEBUYER ASSISTANCE PROGRAM

#### PATHSTONE CORP.

##### 1. PROGRAM OBJECTIVE:

The Puerto Rico Department of Housing (**PRDOH**) is seeking Underwriting Services to support the implementation efforts of three (3) CDBG-DR Programs: Homebuyer Assistance Program (**HBA Program**), Small Business Financing (**SBF**) Program and Re-Grow Puerto Rico Urban Rural Agriculture Program (**Re-Grow Program**), through the provision of underwriting analysis of Program related applications.

##### 2. TERMS:

- **Key Objective** – The major objectives the Programs wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Partner** – Program Partners are subrecipients as defined in 2 C.F.R. § 200.93 who perform grant management duties under PRDOH involving turnkey administration of programs under the PRDOH CDBG-DR portfolio.
- **Target** – The goal for each of the Indicators.
- **Timeline** – The expected completion date or timeframe.

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### 3. TIMELINES & PERFORMANCE GOALS

#### 3.1 RE-GROW PROGRAM - OBJECTIVE 1: ASSIST WITH UNDERWRITING ANALYSIS OF ELIGIBLE RE-GROW APPLICATIONS

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
<b>Complete Underwriting Analysis of Eligible Re-Grow Applications to make an underwriting determination for review of Re-Grow Partner Department of Agriculture, PRDOH or appointed.</b>	1.1 Complete underwriting analysis and submit cases with underwriting determination for final QC check, award documentation, and closing meeting.	# of reviewed cases submitted with underwriting determination for review per quarter  Maximum % of cases returned to the Underwriter by the Partner Department of Agriculture, PRDOH or appointed after QC review to be corrected	Received Applications, Dashboards, Grant Management System	100% of cases submitted to Program Partner for underwriting analysis; or at least 267 cases per month (or 800 cases per quarter) submitted with recommended determinations  < 5% maximum of cases return for correction due to missing information or incorrect determinations.	<b>Quarterly from Q2 2022 to Q2 2024</b>

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3.1.1 KEY ACTIVITY 1: COMPLETE UNDERWRITING ANALYSIS AND SUBMIT CASES WITH ELIGIBILITY DETERMINATION RECOMMENDATION TO PROGRAM PARTNER.

Underwriting analysis must be completed on all Re-Grow cases as a step in the underwriting process to confirm the applicant meets the financial criteria to receive a federal award. This underwriting analysis takes place after an applicant's case has first been reviewed by Program Partner or participating case management service providers to confirm the applicant meets all program requirements for eligibility (excluding financial underwriting review), and that the file possesses all necessary documentation to move on to the underwriting analysis phase.

To disburse a significant amount of the funds allocated to the Re-Grow Program, a high rate of disbursement must be maintained. To maintain this desired rate, cases received must be assessed diligently and within a reasonable amount of time. At the same time, the Re-Grow Program must also attend all applications with equal importance and give good customer service to all applicants. The Underwriter is tasked with analyzing cases while maintaining said rate.

- Underwriter is expected to complete underwriting analysis on 100% of cases referred to PathStone, **at least 267 cases per month (or 800 cases per quarter) submitted with recommended determinations.**
- Must submit and maintain records within the Program's Grant Management System. Documents must be uploaded in a high-quality format and labeled according to Programs SOPs.
- High accuracy in work is a must, as such the Program will tolerate **a Maximum of 5%** of cases returned to the Underwriter by the Partner for correction of work product. A correction for these purposes is defined as missing information or incorrect determinations made by the underwriters.
- Program Goals are based on the current needs of the Re-Grow Program. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **30 days** prior to the new goals taking effect.

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**3.2 RE-GROW PROGRAM - OBJECTIVE 2: CLOSE FILES OF GRANT AWARDS PROVIDED, VERIFY COMPLIANCE WITH ALL GRANT AGREEMENTS, GATHER REQUIRED DOCUMENTATION, AND TAKE APPROPRIATE ACTIONS.**

KEY OBJECTIVE #2	KEY ACTIVITY	INDICATOR	SOURCE VERIFICATION OF	TARGET	TIMELINE
Close files of grant awards provided. Verifying compliance with all Grant Agreements, gathering all required documentation, and taking appropriate actions	2.1 Complete receipt review process for cases and verifying compliance with Grant Awards and Intended Use of Funds for all disbursed awards.	<ul style="list-style-type: none"><li>Notifications of Compliance or Non-compliance</li></ul>	Notifications Sent, Dashboards, Grant Management System and Monthly Repots	<ul style="list-style-type: none"><li>Goal sending all required notifications no later than seven (7) months after disbursement.</li></ul>	Quarterly from Q2 2022 to Q2 2024
	2.2 Gather all necessary documentation for case Closeout.	<ul style="list-style-type: none"><li>Cases closeout</li></ul>	Notifications Sent, Dashboards, Grant Management System and Monthly Repots	<ul style="list-style-type: none"><li>Close 100% of all cases with seven months or more since disbursement.</li></ul>	Quarterly from Q2 2022 to Q2 2024

3.2.1 KEY ACTIVITY 2.1 COMPLETE RECEIPT REVIEW PROCESS

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The Re-Grow Program must verify that all beneficiaries of grant awards under the program have complied with their Grant Agreements and their Intended Use of Funds. All grant funds must be spent in accordance with these agreements. Beneficiaries of these funds must submit receipts to support their compliance with these agreements and validate that the funds were spent in accordance with them. Once the applicants have submitted their receipts the Subrecipient must validate that these receipts indeed validate that the beneficiary is in compliance with their agreements. To diligently review these receipts, the Re-Grow Program will provide support and resources where contractors will provide the subrecipient with support in collecting the necessary receipts and establish a case pipeline of cases with all receipts gathered, initially reviewed and ready for final validation. The subrecipient is tasked with validating the receipts within the expenditure review pipeline and accomplishing reviews with the established timeframe. Once the receipts of a beneficiary have been reviewed the subrecipient will recommend whether they have identified that the applicant is in compliance or non-compliance with the corresponding Grant Agreement and Intended Use of Funds and refer the case for further action.

- Goal of sending all required notifications no later than **seven (7) months** after disbursement of funds of the Program to each beneficiary. For cases that reached close out phase before the execution of the present agreement, the notification should be sent during a period of ninety (90) days after works start.

3.2.2 KEY ACTIVITY 2.2 GATHER ALL NECESSARY DOCUMENTATION FOR CASE CLOSEOUT

The Re-Grow Program must verify National Objective data for all beneficiaries of the Program. For the Re-Grow Program this National Objective is LMI Microenterprise, LMI Job Creation, among others. The appropriate determination of LMI for any of these categories requires that the Subrecipient gather all necessary data from each beneficiary at the appropriate stage in the Re-Grow Program process. LMI Microenterprise requires that all owner data and supporting documentation be gathered. LMI Job Creation requires that data for all employees and supporting documentation (payroll for the month) be gathered during the grant award process and then be gathered again three to six months later after the receipt review process with supporting documentation (payroll for the month). Other LMI Nation Objectives require that the beneficiary case file is completed with all data appropriately entered in the system (name, address, DUNS, EIN, etc.).

- Goal of closing **100%** of all cases with seven months or more since disbursement.

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**3.3 SBF PROGRAM – OBJECTIVE 3: ASSIST WITH UNDERWRITING ANALYSIS OF ELIGIBLE SBF APPLICATIONS**

KEY OBJECTIVE #3	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
<b>Complete Underwriting Review for Program Applicants to make an Award Recommendation to SBF Partner BDE.</b>	3.1 Complete underwriting analysis for cases and submit award determination recommendation to SBF Program Partner BDE	# of cases submitted to BDE for review  % of eligible applications that commence review  % of cases returned to the Underwriter by BDE after review	Received Applications, Dashboards, Grant Management System Progress Report	100% of cases submitted to Program Partner for underwriting analysis; or at least 120 cases per month (or 360 cases per quarter) submitted with recommended determinations  < 5% maximum of cases return for correction due to missing information or incorrect determinations.	<b>Quarterly from Q2 2022 to Q2 2024</b>
	3.2 Support resolution of Program Based Reconsideration Requests and Complaints Resolution	100% of reconsideration cases responded	Grant Management System and Formal Communications	100% of reconsiderations responded	<b>Quarterly from Q2 2022 to Q2 2024</b>

3.3.1 KEY ACTIVITY 3.1: COMPLETE UNDERWRITING ANALYSIS FOR CASES AND SUBMIT AWARD DETERMINATION RECOMMENDATION TO PROGRAM PARTNER

Underwriting analysis must be completed on all referred SBF cases as a step in the eligibility process to confirm the applicant meets the financial criteria to receive a federal award. This underwriting analysis takes place after an applicant's case has first been reviewed by BDE, Program Partner or participating case management service providers to confirm the applicant meets all program requirements for eligibility (excluding financial underwriting review), and that the file possesses all necessary documentation to move on to the underwriting analysis phase.

To disburse a significant amount of the funds allocated to the Program, a high rate of disbursement must be maintained. To maintain this desired rate, cases received after underwriting analysis must be assessed diligently and within a reasonable amount of time. At the same time the Program must also attend all applications with equal importance and give good customer service to all applicants. The Underwriter is tasked with analyzing cases while maintaining said rate and quality.

- Underwriter is expected to complete analysis on 100% of all cases referred to PathStone, **at least 120 cases per month (or 360 cases per quarter) submitted with recommended determinations.**
- High accuracy in work is a must, and the Program will tolerate a **Maximum of 5%** of cases returned to the Underwriter by the Partner for correction of work product. A correction for these purposes is defined as missing information or incorrect determinations made by the underwriters.
- Program Goals are based on the current needs of the SBF Program. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **30 days** prior to the new goals taking effect.

3.3.2 KEY ACTIVITY 3.2: SUPPORT PROCESSING OF PROGRAM BASED RECONSIDERATION REQUESTS AND COMPLAINTS RESOLUTION

The program-based reconsideration requests resolution task involves support activities on the Underwriters behalf which may be necessary for PathStone to respond to information requests, meetings, and other requests to support analysis performed during their normal activities under their Scope of Work, for program-based reconsideration requests initiated by program applicants. This task is expected to be recurring throughout the life of the SRA. The program-based reconsideration requests resolution task is initiated when a citizen or applicant submits a program-based reconsideration request.

The complaint resolution task involves activities necessary to attend to citizen or applicant complaints, as coordinated by BDE. This task is expected to recur throughout the life of the SRA. BDE shall compile all information required by PRDOH in order to resolve the complaint, PathStone must assist in this process to ensure all information necessary for

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the resolution of the reconsideration is present in the case files. The task is considered complete when all information has been submitted to PRDOH to resolve the complaint.

- **One Hundred percent (100%)** of all requests for information pertaining to reconsideration requests received must be responded to.
  - Subrecipient might be requested to provide additional information or documentation related to their review in relation to a reconsideration request.
- Submit information requested by BDE related to complaints or administrative review requests within **three (3)** business days of request.

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**3.4 SBF PROGRAM - OBJECTIVE 4: CLOSE FILES OF GRANT AWARDS PROVIDED, VERIFY COMPLIANCE WITH ALL GRANT AGREEMENTS, GATHER REQUIRED DOCUMENTATION, AND TAKE APPROPRIATE ACTIONS.**

KEY OBJECTIVE #4	KEY ACTIVITY	INDICATOR	SOURCE VERIFICATION OF	TARGET	TIMELINE
Close files of grant awards provided. Verifying compliance with all Grant Agreements, gathering all required documentation, and taking appropriate actions	4.1 Complete receipt review process for cases and verifying compliance with Grant Awards and Intended Use of Funds for all disbursed awards.	<ul style="list-style-type: none"><li>• Notifications of Compliance or Non-compliance</li></ul>	Notifications Sent, Dashboards, Grant Management System and Monthly Repots	<ul style="list-style-type: none"><li>• Goal sending all required notifications no later than seven (7) months after disbursement.</li></ul>	Quarterly from Q2 2022 to Q2 2024
	4.2 Gather all necessary documentation for case Closeout.	<ul style="list-style-type: none"><li>• Cases closeout</li></ul>	Notifications Sent, Dashboards, Grant Management System and Monthly Repots	<ul style="list-style-type: none"><li>• Close 100% of all cases with seven months or more since disbursement.</li></ul>	Quarterly from Q2 2022 to Q2 2024

3.4.1 KEY ACTIVITY 4.1: COMPLETE RECEIPT REVIEW PROCESS

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The SBF Program must verify that all beneficiaries of grant awards under the program have complied with their Grant Agreements and their Intended Use of Funds. All grant funds must be spent in accordance with these agreements. Beneficiaries of these funds must submit receipts to support their compliance with these agreements and validate that the funds were spent in accordance with them. Once the applicants have submitted their receipts the Subrecipient must validate that these receipts indeed validate that the beneficiary is in compliance with their agreements. To diligently review these receipts, the SBF Program will provide support and resources where contractors will provide the subrecipient with support in collecting the necessary receipts and establish a case pipeline of cases with all receipts gathered, initially reviewed and ready for final validation. The subrecipient is tasked with validating the receipts within the expenditure review pipeline and accomplishing reviews with the established timeframe. Once the receipts of a beneficiary have been reviewed the subrecipient will recommend whether they have identified that the applicant is in compliance or non-compliance with the corresponding Grant Agreement and Intended Use of Funds and refer the case for further action.

- Goal of sending all required notifications no later than **seven (7) months** after disbursement of funds of the Program to each beneficiary for Working Capital or **one hundred twenty (120) days** for Equipment. For cases that reached close out phase before the execution of the present agreement, the notification should be sent during a period of ninety (90) days after works start.

3.4.2 KEY ACTIVITY 4.2: GATHER ALL NECESSARY DOCUMENTATION FOR CASE CLOSEOUT

The SBF Program must verify National Objective data for all beneficiaries of the Program. For the SBF Program this National Objective is LMI Microenterprise, LMI Job Creation, among others. The appropriate determination of LMI for any of these categories requires that the Subrecipient gather all necessary data from each beneficiary at the appropriate stage in the SBF Program process. LMI Microenterprise requires that all owner data and supporting documentation be gathered. LMI Job Creation requires that data for all employees and supporting documentation (payroll for the month) be gathered during the grant award process and then be gathered again three to six months later after the receipt review process with supporting documentation (payroll for the month). Other LMI Nation Objectives require that the beneficiary case file is completed with all data appropriately entered in the system (name, address, DUNS, EIN, etc.).

- Goal of closing **one hundred percent (100%)** of all cases with seven months or more since disbursement.

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**3.5 HBA PROGRAM – OBJECTIVE 5: COMPLETE UNDERWRITING ANALYSIS OF ELIGIBLE HBA APPLICATIONS**

Key Objective #5	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
Complete underwriting review of Program applications to make an award recommendation to HBA Partner PRHFA and Perform underwriting review and QA/QC from PRHFA Underwriting contractors.	5.1 ELIGIBLE APPLICATIONS UNDERGO COMPLETE UNDERWRITING PROCESS REVIEW AND ARE SUBMITTED FOR AWARD DETERMINATION RECOMMENDATION TO SUBRECIPIENT <ul style="list-style-type: none"><li>Review lending institution submissions</li><li>Track with lending institutions when cases are ready for closing</li><li>Ensure all required documentation for closing is final</li><li>Prepare recommendation for Partner review</li></ul>	% of cases reviewed and submitted to the Partner  % of cases reviewed (QA/QC) from PRHFA Underwriting contractors  # Award Determination Recommendations	Cases ready for closing submitted through the Grant Management System  QA/QC of a minimum of 20% of monthly closed cases	100% of cases submitted to Program Partner for underwriting analysis  QA/QC of a minimum of 20% of monthly closed cases  Monthly recommended determinations as requested by PRDOH.	Monthly (Q2 2022 - Q2 2024)

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3.5.1 KEY ACTIVITY 5.1: COMPLETE UNDERWRITING REVIEW AND SUBMIT AWARD DETERMINATION RECOMMENDATION TO PROGRAM PARTNER AND QA/QC ACTIVITIES

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The Underwriting analysis must be completed on all HBA cases as a step in the eligibility process to confirm the applicant meets the financial criteria to receive a federal award. This underwriting analysis takes place after an applicant's case has first been reviewed by HBA participating lending institutions to confirm the applicant meets all Program requirements for eligibility (excluding financial underwriting review) and that the file possesses all necessary documentation to move on to the underwriting analysis phase.

The Program has a selection of eligible applicants from which the Subrecipient must identify cases to be processed. While this selection will not be the responsibility of Underwriters, it is part of the production pipeline that will yield cases ready for underwriting analysis.

Once a case has been deemed eligible by the Program Partner, the Underwriters will review the individual case file in the system of subsidy of the Program. Among the tasks that must be performed by the Underwriters for each case is to review lending institution submissions, track with lending institution when the case can be determined to be ready for closing and ensure all documentation required for closing is completed and final. The underwriting process for each case will be completed when the Underwriter prepares a final recommendation for award determination and returns the file to Program Partner for final review. The target for this activity is for the Underwriters to complete **one hundred percent (100%)** of the cases submitted for underwriting analysis, perform QA/QC from PRHFA Underwriting contractors, and perform monthly award determination recommendations as per PRDOH request. The average timeline for analysis and completion of review of a completed case is **three (3) to six (6) hours**, when needed.

The Underwriters are responsible for tracking cases, completing the underwriting analysis in accordance with Program Guidelines, standard operating procedures, and under the guidance of HBA Program staff. This role is a support function to the Program and underwriting analysis services under this agreement are provided in addition to the existing team of underwriters from the HBA's Program Partner, the PRHFA.

**3.6 PROGRAM RESERVES**

The PRDOH reserves the right to modify or remove any of the key activities listed above or, if appropriate, increase tasks prior to and during the term of this SRA.

**END OF DOCUMENT**



EXHIBIT C

KEY PERSONNEL

- RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM
- SMALL BUSINESS FINANCING PROGRAM
- HOMEBUYER ASSISTANCE PROGRAM
- PATHSTONE CORP.

Below is the Staffing Plan for the CDBG-DR **Underwriting Services** Program which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR **Underwriting Services** Program.

I. Roles

Roles
Deputy Director
Underwriting Officer
Director of Programs
Programs Specialist
Close-out & Compliance Specialist
Assistant

II. Roles Description:

Role	Description
Deputy Director	Implement programmatic strategies to meet national program objectives for SBF and Re Grow Program. Supervise employees and oversee staffing plan. Review application and determine eligibility per approved program guidelines, determine unmet needs, and ensure reasonable and necessary use of funds for SBF and Re-Grow Program. Perform any other necessary function to complete underwriting review of applications. Manage and implement program activities according to agreed-upon procedures. Review applicants with respect to potential duplication of benefits and determinate award amounts for

Role	Description
	applicants under the SBF and Re-Grow Program. Review and approve employee's timesheets and assist in processing invoices for payments. Perform these tasks for the HBA Program as requested by PRDOH.
<b>Underwriting Officer</b>	Review application and determine eligibility per approved program guidelines, determine unmet needs, and ensure reasonable and necessary of intended use of funds for the SBF and Re-Grow Program. Prepare and send communications to applicants and other entities in the process as needed. Gather documents and data related to underwriting reviews for the SBF and Re-Grow Program. Review documentation with respect to HUD underwriting criteria. Review applicants under SBF and Re-Grow Program for potential duplication of benefits. Perform any other necessary function to complete underwriting review of applications. Perform these tasks for the HBA Program as requested by PRDOH.
<b>Director of Programs</b>	Implement programmatic strategies to meet national objectives for HBA Program and Close Out for Re-Gow and SBF. Supervise employees and oversee staffing plan. Review loan requests, work with lending institutions to identify when cases are ready for closing and ensure all required closing documentation is final. Perform any other necessary function to complete underwriting reviews and process electronic loan packages for closing. Manage and implement programs activities according to agreed-upon procedures. Review and approve employee's timesheets and complete invoices for payments. Perform review of Program Guidelines and perform QA/QC on awarded cases, as requested by Program with Underwriting Services.
<b>Programs Specialist</b>	Review loan request, work with lending institutions to identify when cases are ready for closing and ensure all required closing documentation is final. Perform other necessary functions to complete the underwriting review of applications and electronic loan packages for closing. Perform review of Program Guidelines and perform QA/QC on awarded cases, as requested by Program with Underwriting Services.
<b>Close-out &amp; Compliance Specialist</b>	Request information and documents from applicants to complete the close out process for Re-Grow and SBF Programs. Evaluate the information provided to determine the compliance with the award determination and grant agreement. Prepare and send communications to applicants and other entities in the process as needed. Gather documents and data related to close out process.

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Role	Description
	Perform any other necessary function to complete close out review of award made by the programs. Perform these tasks for the HBA Program as requested by PRDOH.
<b>Assistant</b>	Provide support to Re Grow, SBF and HBA underwriting services' staff by coordinating meetings, receiving calls from applicants and providing status when needed. Prepare monthly reports after collecting data from staff. Prepare and submit invoices. Join and attend program meetings with POC's, lenders and other subrecipients as needed. Assist in the implementation of program activities.

**III. Notes:**

- 1) Position names may not necessarily coincide to current positions within Subrecipient's roster of employees; nevertheless, invoices submitted by Subrecipient must coincide with the position names indicated in this Exhibit.
- 2) Subrecipient may use one (1) or more of its employees for each of the approved staff positions, therefore the maximum budget shall consider the summary of payroll costs for employees authorized for the position.
- 3) Subrecipient payroll operates on a bi-weekly basis, therefore on various months during the year the total maximum hour per position are up to one hundred and eighty (180) hours.

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## ATTACHMENT IV

### EXHIBIT D – SECTION 1

#### BUDGET

#### RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM

#### SMALL BUSINESS FINANCING PROGRAM

#### HOMEBUYER ASSISTANCE PROGRAM

#### PATHSTONE CORP.

#### DESCRIPTION OF SERVICES

PathStone will provide Underwriting Services for various CDBG-DR programs, especially the Re-Grow PR Urban Rural Agriculture Program, Small Business Financing Program and Homebuyer Assistance Program to assist with the economic recovery of Puerto Rico. These services include the following two (2) functions:

- Complete the underwriting process to determinate the amount of CDBG-DR assistance that is necessary and reasonable to assist the applicant in achieving recovery.
- Ensure Program compliance by confirming that all applicants meet federal and local regulations, and programmatic requirements.

PathStone will provide the services for all applications received via the agencies delegated to administer the programs. The PathStone staff assigned to the Programs will complete their underwriting review with an understanding that different levels of review may be required depending upon differences in the size and scope of each Program Application, and in the case of a microenterprise or other small business, based upon differences in the capacity and level of sophistication among businesses of differing sizes.

The funds committed by this SRA will be used only to provide services in connection with the program. The program budget will support the salaries (including fringe benefits) for employees per the responsibilities described in **Exhibit C**. The PathStone staff will deliver underwriting services, compliance review, monitoring, reporting, strategic planning, and coordination to ensure the achievement of program goals and its success. PathStone will request reimbursement of indirect cost per the Negotiated Indirect Cost Related Agreement as approved by the United States Department of Labor.

PathStone has included only the costs necessary to cover reimbursement for staff travel at federal mileage rate, minimum equipment for the staff to be hired and the space that will be used for the Re-Grow PR Urban Rural Agriculture Program, Small Business Financing Program and Homebuyer Assistance Program.

EXHIBIT D - SECTION 2 - BUDGET

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Grant:		CDBG-DR	
Contractor:		PATHSTONE CORPORATION	
Program:		UNDERWRITING SERVICES	
DRGR Activity Code:			
Cost Type	Chart of Accounts Code	Activity Description	CONTRACT Budget
ADMINISTRATION			\$ -
Costs			
TOTAL COSTS			\$ -
PLANNING			\$ -
Costs			
TOTAL COSTS			\$ -
PROJECT			\$ 4,840,124.00
Project			
TOTAL COSTS			\$ -
PROJECT ACTIVITY DELIVERY COSTS			
Staffing		Direct salaries of the staff members for the programs.	\$ 3,761,142.00
Professional Services		IT and Autoattendant services	\$ 12,800.00
Other Operating		Operational costs associated with delivery and implementation of services	\$ 1,016,182.00
Equipment		Equipment such as but not limited to computers, monitors, backup batteries, copier, printer, scanner, desks and chairs for the program.	\$ 50,000.00
TOTAL COSTS			\$ 4,840,124.00
GRAND TOTAL			\$ 4,840,124.00



**Budget Detail**  
**UNDERWRITING SERVICES**

Subrecipient Name: PATHSTONE CORPORATION

**STAFFING**

Position	Qty. of Resources [A]	Estimated Hours per month per Resource [B]	Months Needed [C]	Estimated Hourly Rate [D]	Estimated Monthly Cost [E=AxBxD]	Max Cost for the Program [F=CxE]
Deputy Director	1	80	24	\$61.51	\$ 4,920.80	\$ 118,100.00
Underwriting Officer	1	176	24	\$39.27	\$ 6,911.52	\$ 165,877.00
Underwriting Officer	13	176	24	\$34.09	\$ 77,997.92	\$ 1,871,951.00
Director of Programs	1	80	24	\$92.25	\$ 7,380.00	\$ 177,120.00
Programs Specialist	1	176	24	\$31.33	\$ 5,514.08	\$ 132,338.00
Programs Specialist	1	176	24	\$29.17	\$ 5,133.92	\$ 123,215.00
Close-out & Compliance Specialist	1	176	24	\$30.74	\$ 5,410.24	\$ 129,846.00
Close-out & Compliance Specialist	5	176	24	\$26.30	\$ 23,144.00	\$ 555,456.00
Assistant	5	176	24	\$23.07	\$ 20,301.60	\$ 487,239.00
Total Maximum Monthly Cost:					\$ 156,714.08	
Total Cost for 2 Years (24 Months):					\$	3,761,142.00

\*Estimate amount in rate, hours and monthly cost, could vary based on actual need and work performed on the program

**PROFESSIONAL SERVICES**

Services Name	Services Description	Budget
IT Services	IT services for computer and systems installation and programming.	\$ 7,800.00
Autoattendand Services	Autoattendand services for call in and auto messages services.	\$ 5,000.00
Total Budget for Services to be Contracted:		\$ 12,800.00

**OTHER OPERATING**

Item Name	Item Description	Budget
Travel	Reimbursement for travel expenses at federal rate.	\$ 5,879.00
Indirect Cost	Indirect Cost per the approved Negotiated Indirect Cost Rate Agreement.	\$ 735,303.00
Rent	Lease space for office of the program.	\$ 240,000.00
Telephone & Utilities	Electricity service, internet , office phone and cel phones for remote work.	\$ 35,000.00
Total Expenses Budget:		\$ 1,016,182.00

EQUIPMENT

Item Name	Item Description	Budget
Office Equipment	Equipment such as but not limited to computers, monitors, backup batteries, copier, printer, scanner, desks and chairs for the program.	\$ 50,000.00
Total Expenses Budget:		\$ 50,000.00

Budget Re-distribution

- a) The Subrecipient may request in writing to the PRDOH a re-distribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the re-distribution request to validate purpose and balance of funds, and if determined the re-distribution is in benefit for the Program and the balance of funds is validated, the PRDOH will provide written authorization to the Subrecipient. Until the written authorization is submitted by the PRDOH, the re-distribution cannot be considered as authorized.
- c) This re-distribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

END OF DOCUMENT



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

ATTACHMENT V  
EXHIBIT E-III

Contract Code: 2101-c  
Type: Change Order A\_V2  
Original Registered Code: 2021-DR0212

CERTIFICATION OF FUNDS

Requested on behalf: CDBG-DR Director

The Finance Division certifies the availability of the following funds:

Contracting Of: PATHSTONE CORPORATION  
Source of Funds: 14.228 CDBG Funds  
For: Amendment C to 2021-DR0212 - Underwriting Services (Re-Grow, SBF, HBA)  
Amount: \$902,252.00

The breakdown and grant of the certified funds is as follows:

Grant	Area / Project	Activity Code	Category Description	Account	Amount
B-18-DP-72-0001	Economic	r02e15sbf-edc-lm	E - Equipment (Sub recipient)	6090-01-000	\$3,600.00
B-18-DP-72-0001	Economic	r02e15sbf-edc-lm	E - Indirect Cost	6090-01-000	\$48,963.90
B-18-DP-72-0001	Economic	r02e15sbf-edc-lm	E - Other Operating (Not ICR)	6090-01-000	\$27,900.00
B-18-DP-72-0001	Economic	r02e15sbf-edc-lm	E - Professional Services	6090-01-000	\$3,840.00
B-18-DP-72-0001	Economic	r02e15sbf-edc-lm	E - Staff / Personnel (Sub-recipient)	6090-01-000	\$186,371.70
B-18-DP-72-0001	Economic	r02e15sbf-edc-un	E - Equipment (Sub recipient)	6090-01-000	\$8,400.00
B-18-DP-72-0001	Economic	r02e15sbf-edc-un	E - Indirect Cost	6090-01-000	\$114,249.10
B-18-DP-72-0001	Economic	r02e15sbf-edc-un	E - Other Operating (Not ICR)	6090-01-000	\$65,100.00
B-18-DP-72-0001	Economic	r02e15sbf-edc-un	E - Professional Services	6090-01-000	\$8,960.00
B-18-DP-72-0001	Economic	r02e15sbf-edc-un	E - Staff / Personnel (Sub-recipient)	6090-01-000	\$434,867.30
					\$902,252.00

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties. These funds do not affect the Puerto Rico Department of Housing (PRDOH) operational budget, and are available to be use.

If you have any questions, feel free to contact us at (787)274-2527.

*\*This transaction does not represent an overcharge of the account herein.*

Cesar Candelario Signed Date - 05/22/2023  
Electronic Approval  
Budget Manager

Nilda Baez Signed Date - 05/23/2023  
Electronic Approval  
Finance Director

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*\*This transaction does not represent an overcharge of the account herein.*

Ave. Barbosa #606 Edificio Juan C. Cordero Dávila, Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365  
Tel:(787)274-2527 | [www.vivienda.pr.gov](http://www.vivienda.pr.gov)

ATTACHMENT VI

NON-CONFLICT OF INTEREST CERTIFICATION

UNDERWRITING SERVICES FOR

RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM

SMALL BUSINESS FINANCING PROGRAM

HOMEBUYER ASSISTANCE PROGRAM

PATHSTONE CORP.

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The Subrecipient certifies that to the best of its knowledge:

- 1. No public servant of this executive agency has a pecuniary interest in this agreement, contract, purchase, or commercial transaction.
- 2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
- 3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
- 4. No public servant has requested from me, directly or indirectly, for him (her), for any member of his or her family unit, or for any other person, business, or entity, something of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity.
- 5. I have no kinship relationship, within the fourth degree of consanguinity and second of affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

"I hereby certify under penalty of perjury that the foregoing is complete, true, and correct."



Signature

María G. Rodríguez Collazo  
Printed Name

June 9, 2023  
Date

Director of Housing  
Programs  
Position