

Bidder Qualification Application

Prospective Bidder Name:

Prospective Bidder Point of Contact:

Prospective Bidder Point of Contact Phone:

Prospective Bidder Point of Contact Email:

Overview

The Bidder Qualification Application (the “**Application**”) captures information for the FDIC to qualify persons or entities for participation in structured transactions involving the sealed-bid auction of a Private Owner Interest in one or more Companies to which the FDIC as receiver will transfer Portfolios. As is outlined in the Application Scorecard Overview included in [Appendix C](#), the Application is comprised of two levels of questioning. Prospective Bidders will provide responses in the space provided in the Application itself. Certain questions allow for the provision of additional information in the form of an attachment to the Application. Certain capitalized terms used in the Application without separate definition have the meanings given them in the Bidder Qualification Application Guidance and Instructions (the “**Guidance and Instructions**”).

To ensure a diversity of participation, the FDIC welcomes and strongly encourages MWO Businesses to participate in FDIC structured transactions as Lead Bidders, Investors, Servicers or Asset Managers.

Guidance for Completing the Application

This document should be read in conjunction with the accompanying Guidance and Instructions and Bidder Qualification Application Frequently Asked Questions, which provide further guidance on the completion of the following sections. Any additional questions regarding this document may be directed to the bidder qualification e-mail address established for the designated transaction and referenced in the preliminary sale announcement.

If the Prospective Bidder has completed an Application within the past six months, the Prospective Bidder may complete the affidavit included as [Appendix A](#) (“**Affidavit**”) and submit the following:

- Section 1.2 MWO Business Participation
- Section 2.2 Funding
- Section 2.3 Asset Management / Servicing (Not required if bidding on an asset pool similar to that considered by the prior Application)
- Section 2.4 Portfolio Management Plan
- **An executed Affidavit ([Appendix A](#)) to certify that no significant changes have occurred since the date of the previously submitted Application.**

Level 1

1.1 Proposed Acquisition Structure

Please provide an organization chart that graphically depicts all entities and their expected funding contribution percentages within the proposed acquisition structure for the Private Owner Interest. This chart should show the contractual or equity relationships among the Private Owner, its Specified Parent (including the Lead Bidder and the Investors) and the Ultimate Parent Entity for each entity comprising the Specified Parent. Refer to Appendix D for an example of the required documentation. Please indicate that you have attached this support to your submission:

Yes No

Satisfactory = Yes and Prospective Bidder has provided documentation to support the acquisition structure.

Unsatisfactory = Insufficient documentation/details to demonstrate the acquisition structure.

Please provide the following information for the Lead Bidder, all Investors (denominated as Investor 1 through Investor 4, as the case might be) and the other entities referenced below.

ANY CHANGES TO THE PROPOSED STRUCTURE AND/OR INVESTORS PROVIDING MORE THAN 25% OF THE FUNDING TO THE PRIVATE OWNER (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE SERVICER AND THE ASSET MANAGER) MUST BE COMMUNICATED TO THE FDIC PRIOR TO SUBMISSION OF YOUR BID. UNDISCLOSED CHANGES MAY RESULT IN A NON-CONFORMING BID.

All fields below are required.

Lead Bidder

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Identify names of stakeholders who own more than 10% of the entity/business	
Identify names of key employees of the entity/business, including key officers and directors	
Provide estimated funding contribution percentage of Lead Bidder to the Private Owner	
Is the Lead Bidder a minority or woman or designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	Choose from..No

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Private Owner (if already formed)

Name and address for the entity/business	
Any prior names or aliases for the entity/business	

Investor 1

Name and address for the individual or entity/business	
Any prior names or aliases for the individual or entity/business	
If entity/business, identify names of owners who own more than 10% of the entity/business	
If entity/business, identify names of key employees of the entity/business, including key officers and directors	
Provide estimated funding contribution percentage of Investor 1 to the Private Owner	
Is Investor 1 a minority or woman or designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	Choose from..No

Investor 2

Name and address for the individual or entity/business	
Any prior names or aliases for the individual or entity/business	
If entity/business, identify names of stakeholders who own more than 10% of the entity/business	
If entity/business, identify names of key employees of the entity/business, including key officers and directors	
Provide estimated funding contribution percentage of Investor 2 to the Private Owner	
Is Investor 2 a minority or woman or	Choose from..No

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designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	
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Investor 3

Name and address for the individual or entity/business	
Any prior names or aliases for the individual or entity/business	
If an entity/business, identify names of stakeholders who own more than 10% of the entity/business	
If an entity/business, identify names of key employees of the entity/business, including key officers and directors	
Provide estimated funding contribution percentage of Investor 3 to the Private Owner	
Is Investor 3 a minority or woman or designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	Choose from.No

Investor 4

Name and address for the individual or entity/business	
Any prior names or aliases for the individual or entity/business	
If entity/business, identify names of stakeholders who own more than 10% of the entity/business	
If entity/business, identify names of key employees of the entity/business, including key officers and directors	
Provide estimated funding contribution percentage of Investor 4 to the Private Owner	
Is Investor 4 a minority or woman or designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	Choose from..No

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Servicer

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Identify names of key employees of the entity/business, including key officers and directors	
Is the Servicer a minority or woman or designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	Choose from.. No

Asset Manager (if different from the Servicer)

Name and address for the entity/business	
Any prior names or aliases for the entity/business	
Identify names of key employees of the entity/business, including key officers and directors	
Is the Asset Manager a minority or woman or designated as an MWO Business? <i>Please indicate 'yes' or 'no'</i>	Choose from.. No

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Key Decision Makers (*i.e.*, senior executives or members of the senior management team who will be actively and meaningfully involved (directly or indirectly) in all non-ordinary course decision-making regarding (i) the conduct of the business and affairs of the Private Owner (including with respect to the Private Owner’s obligations and powers in its capacity as the manager of the Company) or (ii) the asset management/special servicing of the Portfolio). Please identify up to five individuals or entities that will serve as the most significant Key Decision Makers.

Names of Key Decision Makers	Entities/businesses with which Key Decision Makers are affiliated

Key Asset Managers (*i.e.*, individuals with the power (either individually or collectively with other individuals), directly or indirectly, to manage and control, and who will be actively and meaningfully involved, directly or indirectly, on a day-to-day basis in, all ordinary course decision-making regarding asset management/special servicing of the Portfolio). Please identify up to five individuals or entities that will serve as the most significant Key Asset Managers.

Names of Key Asset Managers	Entities/businesses with which Key Asset Managers are affiliated

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1.2 MWO Business Participation

To ensure a diversity of participation, the FDIC **welcomes and strongly encourages** MWO Business participation in FDIC structured transactions. Please indicate if any of the entities listed in this Section 1.2 are MWO Businesses in the table below. If the participant is a business entity (*i.e.*, not an individual), to be considered “minority and/or women owned” the entity would be more than 50% owned and controlled, through day-to-day management by persons of one or more of the following groups: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, and/or Women. The provided information will be used to establish and monitor the effectiveness of FDIC’s outreach efforts to support diversity of participation in FDIC structured transactions.

Minority or Women Owned (MWO) Designations								
Designation		Lead Bidder	Investor 1	Investor 2	Investor 3	Investor 4	Servicer	Asset Manager
Are you a minority, or is your entity minority owned?	Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race/ Ethnicity	American Indian or Alaska Native	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Asian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Black or African American	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Native Hawaiian or Other Pacific Islander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Hispanic or Latino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you a woman, or is your entity women owned?	Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This section is required; however the disclosed information does not impact scoring of an Application. The FDIC strongly encourages participation by MWO Businesses in FDIC structured transactions.

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1.3 Legal Background

Responses in this section are Yes/No. If the respondent's answer is "Yes," the respondent is required to provide additional information regarding its response. Please answer questions 1.3.1 through 1.3.13 on behalf of the Prospective Bidder and all Investors (i.e., all Investors providing more than 25 percent of the initial capital or ongoing funding to the Private Owner or any of its affiliates) in the spaces provided below.

Level 1 Questionnaire		
Question	Entity	Response
<p>1.3.1 Has the Prospective Bidder or any of its Key Decision Makers or Key Asset Managers over the past seven years filed for protection under the Bankruptcy Code or any insolvency, reorganization, moratorium, receivership or other similar law affecting enforcement of creditors rights?</p> <p><i>If yes, please note what entity or individual filed for protection under the Bankruptcy Code or any insolvency, reorganization, moratorium, receivership or other similar law, and when the motion was filed.</i></p>	Lead Bidder	Choose an item.
	Investor 1	Choose an item.
	Investor 2	Choose an item.
	Investor 3	Choose an item.
	Investor 4	Choose an item.
<p>1.3.2 Has the Prospective Bidder been determined to be insolvent by any bankruptcy court or had a receiver or conservator appointed by any state or federal regulator within the past seven years?</p> <p><i>If yes, please note the bankruptcy court that handed down the ruling or the receiver or conservator that was appointed, and the nature of this action.</i></p>	Lead Bidder	Choose an item.
	Investor 1	Choose an item.
	Investor 2	Choose an item.
	Investor 3	Choose an item.
	Investor 4	Choose an item.
<p>1.3.3 Has the Prospective Bidder or any of its Key Decision Makers or Key Asset Managers been removed from or prohibited from participating in the affairs of any insured depository institution pursuant to any final enforcement action taken by any federal and or state banking agency?</p> <p><i>If yes, please specify the individual or entity that was removed or prohibited from participating in the affairs of the insured depository institution, the name of the insured depository institution, the federal and or state banking agency that took the enforcement</i></p>	Lead Bidder	Choose an item.
	Investor 1	Choose an item.
	Investor 2	Choose an item.
	Investor 3	Choose an item.

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	<i>action, and the nature of the prohibition.</i>	Investor 4	Choose an item.
1.3.4	<p>Have any of the Prospective Bidder’s Key Decision Makers or Key Asset Managers been a key employee with a Failed Financial Institution within the past seven years, or been restricted/prohibited from participating in the affairs of a Failed Financial Institution?</p> <p><i>If yes, please specify the individual or entity that was a key employee with a Failed Financial Institution or was restricted/prohibited from participating in the affairs of a Failed Financial Institution and the nature of the prohibition.</i></p>	Lead Bidder	Choose an item.
		Investor 1	Choose an item.
		Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.
1.3.5	<p>Has the Prospective Bidder been informed of, or been subject to any legal proceeding involving fraud, criminal activity or breach of fiduciary duty in any jurisdiction (internationally and nationally) in the past five years?</p> <p><i>If yes, please provide details of the proceedings and the extent to which these proceedings impair the Prospective Bidder's ability to manage the desired Assets.</i></p>	Lead Bidder	Choose an item.
		Investor 1	Choose an item.
		Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.
1.3.6	<p>Within the past five years, has the Prospective Bidder been subject to any federal or state citations or enforcement actions?</p> <p><i>If yes, please describe the federal or state citations or enforcement actions, and the extent to which these citations or enforcement actions impair the Prospective Bidder's ability to manage the desired Assets.</i></p>	Lead Bidder	Choose an item.
		Investor 1	Choose an item.
		Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.
1.3.7	<p>Is the Prospective Bidder currently undergoing a dispute or engaged in unresolved matters involving correspondence with the IRS or other U.S. Government Agency?</p>	Lead Bidder	Choose an item.
		Investor 1	Choose an item.

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	<p><i>If yes, please note the U.S. Government Agency that the Prospective Bidder is currently engaged in a dispute with and describe the nature of these unresolved matters.</i></p>	Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.
<p>1.3.8</p> <p>Is the Prospective Bidder currently, or has the Prospective Bidder previously been, subject to any investigations with respect to Anti-Money Laundering requirements or Patriot Act violations?</p> <p><i>If yes, please note the dates of the investigation, if the investigation is still ongoing, and describe the entity pursuing the investigation, as well as the findings (if any).</i></p>	Lead Bidder	Choose an item.	
	Investor 1	Choose an item.	
	Investor 2	Choose an item.	
	Investor 3	Choose an item.	
	Investor 4	Choose an item.	
<p>1.3.9</p> <p>Does the Prospective Bidder currently have a delinquent obligation to the FDIC, any U.S. Government Department, or a Failed Financial Institution for which the FDIC is receiver or conservator of \$50,000 or more?</p> <p><i>If yes, please indicate the size of the delinquent obligation, years outstanding, and the entity to which the obligation is owed.</i></p>	Lead Bidder	Choose an item.	
	Investor 1	Choose an item.	
	Investor 2	Choose an item.	
	Investor 3	Choose an item.	
	Investor 4	Choose an item.	
<p>1.3.10</p> <p>Does the U.S. Government currently hold investments in the Prospective Bidder under the Troubled Asset Relief Program (TARP)?</p> <p><i>If yes, please note if these investments are held directly or indirectly in the Prospective Bidder and describe the nature of these investments.</i></p>	Lead Bidder	Choose an item.	
	Investor 1	Choose an item.	
	Investor 2	Choose an item.	
	Investor 3	Choose an item.	
	Investor 4	Choose an item.	
<p>1.3.11</p> <p>If the Prospective Bidder is an FDIC insured depository institution, does the Prospective Bidder have a Memorandum of Understanding or other regulatory agreement</p>	Lead Bidder	Choose an item.	
	Investor 1	Choose an item.	

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	that would prohibit or restrict participation in this type of transaction? <i>If yes, please describe the limitations imposed by this regulatory agreement.</i>		
		Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.
1.3.12	If the Prospective Bidder is an FDIC insured depository institution, has the Prospective Bidder obtained from its primary federal regulator and/or its state supervisory authority either written approval to enter into this transaction or a certification that such written approval has been waived or is not required? <i>If yes, please provide a copy of such approval or certification as an attachment with “1.3.12 Regulatory Approval” in the file name.</i>	Lead Bidder	Choose an item.
		Investor 1	Choose an item.
		Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.
1.3.13	Is the Prospective Bidder considered an “off-shore entity” or otherwise not subject to U.S. tax? <i>If yes, please describe the nature of the tax shield.</i>	Lead Bidder	Choose an item.
		Investor 1	Choose an item.
		Investor 2	Choose an item.
		Investor 3	Choose an item.
		Investor 4	Choose an item.

Please answer questions 1.3.14 through 1.3.18 on behalf of the Servicer in the spaces provided below. If the respondent’s answer is “Yes,” the respondent is required to provide additional information regarding its response.

Level 1 Questionnaire		
	Question	Response
1.3.14	Does the Servicer require additional licenses, registrations, insurance coverage, permits or qualifications to be considered in compliance with all applicable laws in all states in which the Servicer currently conducts business? <i>If yes, please indicate the item(s) not in compliance.</i>	Choose an item.

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<p>1.3.15</p>	<p>Has the Servicer had any license terminated, canceled or revoked by any department or agency of the federal or any state government?</p> <p><i>If yes, please specify the license that was affected, the reason for the termination, cancellation or revocation, and what steps are currently being taken to rectify the issue.</i></p>	<p>Choose an item.</p>
<p>1.3.16</p>	<p>Is the Servicer currently subject to a pending enforcement action or regulatory investigation due to any potential RESPA, FCRA, or GLB Privacy Act violations?</p> <p><i>If yes, please indicate the status of the pending enforcement action or regulatory investigation and provide details of the allegations.</i></p>	<p>Choose an item.</p>
<p>1.3.17</p>	<p>Is the Servicer a wholly owned subsidiary of an insured depository institution?</p> <p><i>If yes, please specify the name of the insured depository institution.</i></p>	<p>Choose an item.</p>
<p>1.3.18</p>	<p>Has the Servicer been continuously engaged in the servicing of loans as a principal business for less than 3 years?</p> <p><i>If yes, please indicate the number of years Servicer has been continuously engaged in the servicing of loans as a principal business and details of any relationship to an entity that may lend additional experience, and the number of years this entity has been continuously engaged in the servicing of loans as a principal business.</i></p>	<p>Choose an item.</p>

Level 2

The qualification questions below allow Prospective Bidders to provide detailed responses pertaining to their qualifications in general as well as specific to the Portfolio. Questions in the section are listed by the category in which responses will be scored.

2.1 Financial Background

2.1.1 Is the Prospective Bidder rated by a nationally recognized rating agency (e.g. Fitch, Standard and Poor’s, Moody’s, Morningstar, Kroll, or AM Best)?

Yes No

If yes, please provide rating, rating type (credit rating or issuer rating) and name of rating agency in the space below. Also, provide latest rating report available as an attachment with the “**2.1.1 Prospective Bidder Rating**” included in the file name of the attachment.

<p><i>Rating(s):</i></p> <p><i>Rating type(s):</i></p> <p><i>Name of rating agency(ies):</i></p>
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<p>Credit rating will be scored in a manner consistent with the rating agency definitions.</p> <p>Example:</p> <p>Yes: Satisfactory = High/Strong/Good/Adequate Unsatisfactory = Speculative/Fair/Poor</p> <p>No: Unscored</p>
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2.1.2 Please provide audited or CFO-certified financial statements for each of the Lead Bidder and all Investors (i.e., Investors providing more than 25 percent of the initial capital or ongoing funding to the Private Owner or any of its affiliates). Please provide these as attachments with “2.1.2 Financial Statements” in the file name of each attachment. See Appendix B for the required format of CFO certification.

If financial statements are not available for the Lead Bidder and/or any Investors (i.e., any Investors providing more than 25 percent of the initial capital or ongoing funding to the Private Owner or any of its affiliates), please explain why financial statements are not available for the entity(ies), and provide alternative information to support the current financial position of the entity(ies).

NOTE: The FDIC requires audited or CFO-certified financial statements from investors collectively providing at least 50 percent of the funding to the transaction and reserves the right to request audited or CFO-certified financial statements from additional investors providing 25 percent or less of funding.

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Satisfactory = Prospective Bidder has (1) provided appropriate documentation to support the financial position of the Lead Bidder and all Investors AND (2) provided audited or CFO-certified financial statements from entities collectively providing at least 50 percent of funding to the transaction.

Unsatisfactory = Insufficient documentation/details to demonstrate financial position of the Lead Bidder, any Investor, investors collectively providing at least 50 percent of funding, and/or investors providing 25 percent or less of funding (as requested by the FDIC).

2.1.3 If the Prospective Bidder is an FDIC insured depository institution, then please provide the most recent Tier 1 capital ratio and provide date of calculation.

Please provide your response in the space below.

2.1.4 Please provide your expected pro forma Tier 1 ratio following the transaction.

Please provide your response in the space below.

2.1.5 Please provide bios/resumes of the Key Decision Makers (not Key Asset Managers, for whom information will be provided in Question 2.3.8), and please document relevant prior experience. Please provide these as attachments with “2.1.5 Bios/Resumes of Key Decision Makers” in the file name of the attachment.

Satisfactory = Prospective Bidder has provided bios/resumes of Key Decision Makers that clearly indicate the Key Decision Maker has at least seven years of experience in the relevant functional areas and industries and a degree from an institution of higher education.

Unsatisfactory = Insufficient documentation/details concerning qualifications of Key Decision Makers.

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2.2 Funding

For each of the Lead Bidder and all Investors, (i.e., all Investors providing more than 25 percent of the initial capital or ongoing funding to the Private Owner or any of its affiliates), please complete the table below and indicate the source(s) and amount of funding available to fund the anticipated bid, as required by the proposed transaction terms. Third party documentation (e.g., bank statements, commitment letters, etc.) must be provided to support the availability of the funds identified. Please refer to Appendix E for an example of the required documentation and include “2.2 Funding” in the file name of the corresponding attachment.

NOTE: Bidder will not be qualified to bid in excess of the funding amount for which third-party supporting documentation is provided. Any bid submitted in excess of the amount for which a Bidder is qualified may result in a non-conforming bid.

Type of Funding	Entity contributing funding	Amount of Funding (\$)	Percentage of Total Funding/Ownership	Timing Necessary to Secure Funds (# of Business Days)	Restrictions and/or Contingencies (Y/N If Y, please explain)	Third Party Supporting Documentation and Source(s) of Funding (Reference attachment name)	Level 1 Completed and Attached (Y/N)	Audited or CFO Certified Financial Statements Attached (Y/N)
Readily Available Cash								
Debt								
Capital Call								
Other Sources of Funding								
Total Supported and Available Funding								

Prospective Bidders are required to provide documented evidence of a total funding amount that is free, clear and available to close the transaction and fund the purchase of the Private Owner Interest (i.e., the bid price). Prospective Bidders are on notice that funding in addition to the bid price amount will be required to fund the ongoing obligations (i.e., working capital, development efforts, unforeseen/stress liquidity needs) as required by the Transaction Documents.

Satisfactory = Funds are readily available

Unsatisfactory = Insufficient details/plans to secure funding.

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2.3 Asset Management/Servicing

2.3.1 Is the Servicer rated by a nationally recognized rating agency (e.g. Fitch, Standard and Poor’s, Moody’s, Morningstar, or Kroll)?

Yes No

If yes, please provide servicer or special servicer rating and name of rating agency in the space below. (Please also provide the product type for each rating provided by Standard and Poor’s.) Furthermore, if yes, please submit a Ratings Report from the last 18 months with “**2.3.1 Servicer Rating**” in the file name of the attachment.

<p><i>Rating(s):</i></p> <p><i>Rating type(s):</i></p> <p><i>Name of rating agency(ies):</i></p>
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If you answered Yes to Question 2.3.1, go directly to Question 2.3.6 to continue completion of this section. Note that FDIC reserves the right to request responses to Questions 2.3.2 – 2.3.5 if the servicer’s rating is Unsatisfactory as defined in the scoring criteria below:

<p>Servicer rating will be scored in a manner consistent with the rating agency definitions.</p> <p><u>Fitch Servicer Ratings</u> Satisfactory =RPS1, RPS2 or CPS1, CPS2, RPS3 or CPS3 Unsatisfactory =RPS4, RPS5 or CPS4, CPS5</p> <p><u>Moody’s Servicer Ratings</u> Satisfactory = SQ1 ,SQ2, SQ3 Unsatisfactory =SQ4, SQ5</p> <p><u>S & P Servicer Ratings</u> Satisfactory = Strong, Above Average, Average Unsatisfactory =Below Average, Weak</p> <p><u>Morningstar Servicer Ratings</u> Satisfactory = CS1, CS2, CS3 Unsatisfactory = CS4</p> <p><u>Kroll Servicer Ratings</u> Satisfactory = Pass Unsatisfactory = No Pass</p>
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2.3.2 Servicer approvals

Please provide the information requested in the space below.

Prompt	Response
<p>Is the Servicer currently an approved servicer for the following?</p> <p><i>Please check all that apply or indicate the Servicer is not an approved servicer of GSE loans.</i></p>	<input type="checkbox"/> FNMA Residential Loans <input type="checkbox"/> FHLMC Residential Loans <input type="checkbox"/> GNMA Residential Loans <input type="checkbox"/> FNMA Commercial/Multifamily Loans <input type="checkbox"/> FHLMC Commercial/Multifamily Loans

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	<input type="checkbox"/> GNMA Commercial/Multifamily Loans
	<input type="checkbox"/> Not an approved servicer of GSE loans

Satisfactory = Servicer approval from at least one of three GSEs for residential loans.
 Unsatisfactory = No Servicer approval from at least one agency for residential loans.

2.3.3 FHLMC Servicer Performance Profile Tier rating
 Please provide the information requested in the space below.

Prompt	Response
If the Servicer is an approved FHLMC servicer, what is the Servicer’s current FHLMC Servicer Performance Profile Tier rating? <i>Please check the applicable response or indicate the Servicer is not an approved FHLMC servicer.</i>	<input type="checkbox"/> 5
	<input type="checkbox"/> 4
	<input type="checkbox"/> 3
	<input type="checkbox"/> 2
	<input type="checkbox"/> 1
	<input type="checkbox"/> Not an approved servicer of FHLMC loans

Satisfactory = 1, 2 or 3
 Unsatisfactory = 4 or 5

 If FHLMC establishes a servicer’s practices as poor, the FDIC should consider not using Servicer until FHLMC deems them to pass a minimum threshold
 Not scored = Not approved FHLMC servicer

2.3.4 Is the Servicer a member of MERS?

Yes No

2.3.5 Servicer Overview

If the Servicer does not have a loan servicer rating from a nationally recognized rating agency, please provide the information requested in the table below. Additional information may be provided in the form of an attachment with “2.3.5 Servicer Overview” in the file name of the attachment, as needed.

Prompt		Response
<i>Operational Experience of Servicer</i>	Please provide information on specific skills and expertise (include details on management’s experience) of your servicing operation with particular emphasis on your experience and capabilities in default management and property types specific to the Portfolio to be acquired from FDIC.	

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<i>Affiliates and Third Party Contractors/Sub servicers</i>	If the Prospective Bidder is not managing or servicing the acquired assets directly, provide information on the third party contract Servicer and/or other service providers who will manage or service the loans on your behalf.	
	Provide information on existing subservicing arrangements and offshore service providers being used (if applicable) and if agreements have been formally executed with these providers.	
<i>IT Security</i>	Current disaster recovery plan (e.g., clearly demonstrate established procedures and policies related to disaster recovery)	
	Current data security and access controls (e.g., clearly demonstrate established procedures and policies related to data security and access controls)	

Satisfactory = Information provided shows that Servicer has an experienced management team and an operation experienced in managing the risks and capability to properly service the loans of the type acquired from the FDIC

Unsatisfactory = Information provided does not show that Servicer has sufficient experience and operations to properly service the loans of the type acquired from the FDIC.

2.3.6 Servicing Portfolio Characteristics

Please provide information on the specific loan characteristics of your current servicing portfolio in the table below. Additional information may be provided in the form of an attachment with “**2.3.6 Servicer Portfolio Characteristics**” in the file name of the attachment, as needed.

Prompt	Response
The number and types of loans serviced	
The geographic distribution of the loans	
The percentage of performing versus non-performing loans in the portfolio	
The definition of non-performing (i.e., 90+ days delinquent)	

Satisfactory = Able to provide basic portfolio information

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Unsatisfactory = Cannot provide basic portfolio information in a report.

2.3.7 Non-English Speaking Capabilities

Whether or not the Servicer has a loan servicer rating from a nationally recognized rating agency, please provide the information requested in the table below if the assets to be transferred to each Company include single-family residential mortgage loans or single-family residences.

Prompt	Response
Capabilities and experience successfully dealing with non-English speaking borrowers and homeowners.	
Call center operations technology (e.g., Interactive Voice Response)	
Call center operations dedicated staffing, including number of multi-lingual staff	
Call center loss mitigation procedures for issues affecting non-English speaking borrowers	

2.3.8 Asset Management Experience

For the Asset Manager (whether the Servicer, the Lead Bidder or a third party) and team that will work on the Portfolio, please provide the information requested in the spaces below. Additional information may be provided in the form of an attachment with “**2.3.8 Asset Management Experience**” in the file name of the attachment, as needed.

Prompt	Response
Document relevant prior experience. <i>Please also provide the name of any and all third party contractors who will be performing these services on your behalf, including bios/resumes of the Key Asset Managers who will work on the Portfolio.</i>	Project Management along with affiliations and/or experience
	Preferred General Contractors and relationships
	Zoning/Permitting Experience
	Project Budgeting/Forecasting
	Architect/Engineering Staffing
	Legal Staffing/Counsel

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<i>Previous Work on Similar Projects</i>	<p>Please discuss your involvement in the top three projects and/or portfolios worked on in the last three years that are similar to the asset types included in the Portfolio.</p> <p><i>Please include the name, type, size, and location of the project and/or portfolio, the project timeline, the property owner (as applicable) and whether the project was completed (as applicable). If any of these three projects was terminated, discuss the reason for the project’s termination.</i></p>	
<i>Workouts</i>	Provide information on any recent experience performing workouts	
<i>Commercial Foreclosures</i>	Provide information on any recent experience foreclosing on commercial properties	
<i>Receivership Proceedings</i>	Provide information on any recent experience in real estate receivership proceedings.	

Satisfactory = Information provided shows that Asset Manager has an experienced management team and operation which has demonstrated an ability to manage the risks for the loan type(s) acquired from the FDIC

Unsatisfactory = Information provided does not show that the Asset Manager has sufficient experience and an operation which has demonstrated the ability to manage the risks for the loan types acquired from the FDIC

2.4 Portfolio Management Plan

Prospective Bidders should provide a plan that demonstrates how they will transition, control, direct, accomplish, and realize value from (exit) the Portfolio. The plan should provide a clear, realistic marketing and disposition strategy. **All responses provided in this section should be specific to the Portfolio to be transferred to the Companies.** Please provide responses in the spaces below. Additional information may be provided in the form of an attachment with “**2.4 Plan**” in the file name of the attachment, as needed. The plan should address overall project strategy and asset management, the Servicer’s operational capacity, and the exit strategy. Response guidance is summarized below. **Please refer to Appendix F for an example of required responses.**

Prompt		Response
<i>Operational Capacity</i>	Strategy for encouraging and involving MWO Businesses and local businesses in the transaction (e.g., involvement with local	

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	specialists and contractors such as (but not limited to) construction companies, legal teams, etc.)	
	Operational capacity of your Servicer (e.g., current loan servicing capacity, excess capacity, and how your Servicer intends to modify its operations in order to accommodate an increase in loans serviced as a result of being awarded this Portfolio)	
<i>Asset Management</i>	Approach for underwriting, onboarding, and transitioning the assets into your portfolio (e.g., due diligence practices)	
	Approach for evaluating and categorizing the assets	
	Approach for servicing and managing the assets (e.g., strategies for collaborating with borrowers, developing asset-specific resolution plans)	
<i>Exit Strategy</i>	Approach for assigning/assessing potential work-out strategies	
	Various disposition strategies (e.g., market for sale, deed in lieu, foreclosure, loan modification, discounted pay-offs) for each asset class	
	Various marketing strategies (e.g., leverage regional realtors) for each asset class	
	Anticipated timeframe for complete Portfolio resolution (e.g., five years)	

Appendix A - Affidavit

NOTE: This affidavit (“Affidavit”) can only be used to reference an Application that has been submitted during the six months preceding the bid date. Repeat Prospective Bidders may also choose to submit a complete Application for each structured transaction in place of this Affidavit.

Please provide the following information:

Prospective Bidder Name	
Transaction / Application submission and corresponding date referenced by the Affidavit (e.g., CRE 2011-2, Month, Year)	

Prospective Bidder affirms, certifies, and understands the following:

- the information provided in this Affidavit is accurate;
- it may be held liable for any and all inaccuracies;
- the responses to the Application sections referenced by the Affidavit, and identified below, remain true and correct in all respects;
- there are no changes to prior responses,
- for any changes to a prior response, it has re-submitted the relevant revised section (s) of the Application and provided relevant supporting documentation, and
- any post-submission changes made to the Application referenced by this Affidavit apply to all subsequent Applications for which the Affidavit is used.

Check all Application sections for which the prior submission should be referenced:

Section	Check if Section remains true and correct in all respects
Section 1.1 Proposed Acquisition Structure	<input type="checkbox"/> <input type="checkbox"/>
Section 1.2 MWO Business Participation	<input type="checkbox"/> <input type="checkbox"/>
Section 1.3 Legal Background	<input type="checkbox"/> <input type="checkbox"/>
Section 2.1 Financial Background	<input type="checkbox"/> <input type="checkbox"/>
Section 2.3 Asset Management/ Servicing	
Question 2.3.1 - Question 2.3.7 (Servicing-related)	<input type="checkbox"/> <input type="checkbox"/>
Question 2.3.8 (Asset Management Experience)	<input type="checkbox"/> <input type="checkbox"/>

Note: Sections 2.2 Funding and 2.4 Portfolio Management Plan are **NOT** covered by this Affidavit and must be included with each Application submission. Furthermore, your prior responses for Section 2.3 Asset Management / Servicing will only be considered if the assets included in this Portfolio are similar to the assets included in the Portfolio referenced by the Affidavit. Otherwise, Section 2.3 is not covered by this Affidavit and **MUST** be completed.

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EXECUTED THIS ____ DAY OF ____, 20__

By: _____

Print Name: _____

Print Title: _____

Prospective Bidder's Name and

Address:

Prospective Bidder Contact Person:

Contact Person Telephone Number:

NOTICE CONCERNING LEGAL ACTION

Anyone who knowingly or willfully makes false or fraudulent statements or representations in connection with this Affidavit will be referred to the Office of Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement and may be subject to fines, imprisonment, or both. See 18 U.S.C. §§ 1001, 1007 and 1014.

Appendix B – CFO certification of financial statements.

I, _____(insert name and title here), certify that the information contained in the _____(Entity name) unaudited balance sheet and income statement (or unaudited financial statements) fairly presents, in all material respects, the financial condition and results of operations of the company as of _____[Date].

(Signature)

(Title)

(Date)

Appendix C

Application Scoring Methodology Overview

Application Scorecard Overview	Credit History and Legal Record	Minority or Women Owned Participation	Financial Background	Funding	Asset Management and Servicing	Portfolio Management Plan
<p>Level 1 Response categories are Yes/No. If a respondent answers “Yes,” the respondent is required to provide additional information.</p>	<p>Responses will be “No” or “Yes” “No” results in a pass “Yes” requires additional information</p>	<p>Level 1 responses will be identified in Section 1.2</p>	N/A	N/A	<p>Responses will be “No” or “Yes” “No” results in a pass “Yes” requires additional information</p>	N/A
<p>Level 2 Prospective Bidders will prepare responses to qualification questions pursuant to the instructions included in the Application Instructions.</p>	N/A	<p>Level 2 responses will be identified in section 2.4</p>	<p>Ratings: Satisfactory Unsatisfactory</p>	<p>Ratings: Satisfactory Unsatisfactory</p>	<p>Ratings: Satisfactory Unsatisfactory</p>	<p>Ratings: Satisfactory Unsatisfactory</p>

Level 1

Should an answer to any of the Level 1 questions be “Yes,” then an explanation will be required regarding the specific issue identified. Responses will be identified as set forth in Sections 1.1, 1.2, and 1.3.

Level 2

Scoring of answers for this section will be “Satisfactory” or “Unsatisfactory.”

Level 2 Questions cover Financial Background, Funding, Asset Management/Servicing experience, and Portfolio Management Plan. Each of the Level 2 sections will receive an overall score of Satisfactory or Unsatisfactory. The scoring methodology for each of these sections is explained below, and is based on the responses to the individual questions within those sections.

The FDIC will consider the overall merits of each Application compared to the complexity and risks of the Portfolio to be transferred to each Company as part of the structured transaction.

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The following provides examples of scoring criteria for the Application within the respective categories for Level 2 questions:

Funding

A satisfactory Prospective Bidder is expected to demonstrate the following:

- Financial resources are readily available to close the transaction within the FDIC's prescribed timeline.
- Financial resources are available to fund the management of the assets post closing, potentially including completion of projects, and funding of existing commitments. Further, a satisfactory Prospective Bidder should demonstrate that additional funding is available or can easily be accessed in the event of an unforeseen stress on liquidity.

A Prospective Bidder demonstrating the following attributes may be considered Unsatisfactory with respect to Funding:

- An inability to demonstrate that sufficient funding is available.
- An inability to demonstrate that the Prospective Bidder can close the transaction within the FDIC's prescribed timeline.
- No clear plan for ongoing funding of the management of the assets.
- An inability to demonstrate that resources are available to fund the management of the Assets post closing or in a liquidity stress event.

Servicer

A satisfactory Servicer is expected to demonstrate the following:

- High Servicer Rating (if Rated)
- Relevant Experience demonstrated in Servicer Overview (if Unrated)
- For Residential Loans, Servicer is expected to be an approved Servicer of any one of the three GSEs (GNMA, FNMA or FHLMC).

A Prospective Bidder demonstrating the following attributes may be considered Unsatisfactory with respect to Servicing:

- Inexperienced management team
- Lack of infrastructure and experience to adequately service the loans included in the Portfolio
- Inability to provide satisfactory reports on general servicing portfolio characteristics
- Low FHLMC Performance Profile Tier Rating (if rated)
- For Residential Loans, Servicer is not an approved Servicer of GNMA or any one of the two GSEs (FNMA or FHLMC).

Asset Manager

Information provided for the Asset Manager (whether the Private Owner or otherwise) is expected to demonstrate prior asset management experience relevant to the Portfolio to be transferred to the Companies as part of the structured transaction, together with an experienced project management team and financial and operational capabilities to manage the Portfolio and Companies until the Portfolio has been liquidated. For Residential Loans, Prospective Bidder should demonstrate prior experience with implementing and successfully managing government mandated loan modification programs and capabilities, experience and dedicated staffing in successfully dealing with non-English speaking borrowers and homeowners.

The Asset Manager will be assigned a "Satisfactory" or "Unsatisfactory" rating based upon relevance and depth of experience compared to the Portfolio to be transferred to each Company as part of the structured transaction.

Portfolio Management Plan

Information provided in the Portfolio Management Plan is expected to demonstrate a clear overall project strategy and continuance/transition plan to manage the Portfolio and Companies until the Portfolio has been liquidated. The plan is also expected to demonstrate existence of an experienced project team, with relevant skill sets to complete the orderly liquidation of the Portfolio.

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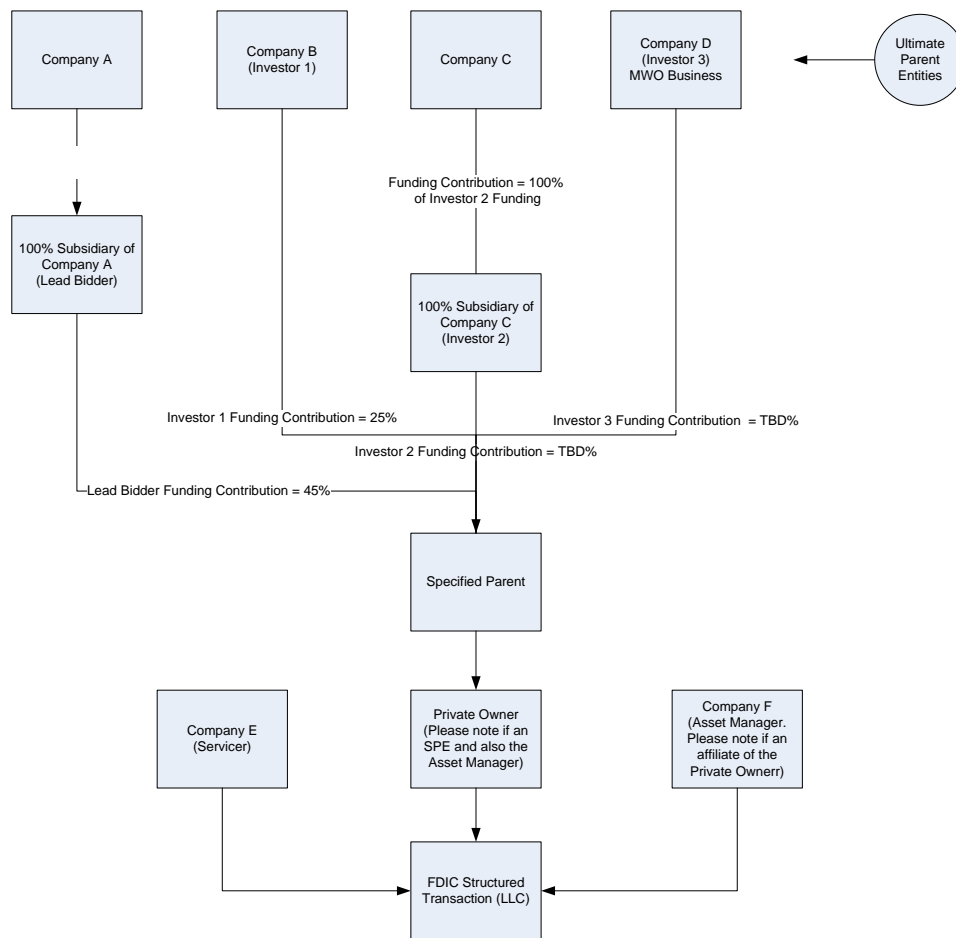
All responses provided in this section should be specific to the Portfolio to be transferred to the Companies as part of the structured transaction. Prospective Bidders should provide a plan that demonstrates how they will plan, control, direct, manage, transition and liquidate the Portfolio. The plan should also provide a clear, realistic marketing and disposition strategy for the Portfolio and should also identify the Prospective Bidder's plan to further encourage the participation of MWO Businesses and local businesses in the servicing, management and liquidation of the Portfolio. The Prospective Bidder's Portfolio Management Plan will be assigned a "Satisfactory" or "Unsatisfactory" rating based upon the ability to demonstrate these specific requirements.

Appendix D

Required Documentation for Proposed Acquisition Structure

The following diagram is an example of a proposed organization chart that graphically depicts all entities and their funding contribution percentages to the Private Owner that should be submitted with the Application. *When preparing your organization chart, please be sure to indicate whether any entity is an MWO Business. Additionally, please indicate in your organization chart if the funding contribution by any entity is still uncertain (as indicated in the example below). An updated organization chart that clearly indicates the funding percentage to be contributed by each entity should be submitted once the structure is finalized.*

Example:



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Key Terms:

Specified Parent: The Specified Parent of the Private Owner is comprised of one or more entities designated as the “Specified Parent” on the Bid Form (typically, the Lead Bidder and the Investors) that collectively control and collectively own, either directly or indirectly, at least 50.1% in value of the Private Owner Interest.

Ultimate Parent Entity: For each entity comprising the Specified Parent of the Private Owner, the entity having ultimate control of such entity.

Appendix E

Example Complete Funding Table

The following is an example of a completed funding table that should be included as the Bidder's response to Section 2.2 Funding.

Type of Funding	Entity contributing funding	Amount of Funding (\$)	Percentage of Total Funding to Private Owner	Timing Necessary to Secure Funds (# of Business Days)	Restrictions and/or Contingencies (Y/N If yes, please explain)	Third Party Supporting Documentation and Source(s) of Funding (Reference attachment name)	Level 1 Completed and Attached (Y/N))	Audited or CFO Certified Financial Statements Attached (Y/N)
Readily Available Cash	Company A (100% Owner of Lead Bidder)	\$25.0M	25%	1 Business Day	N	See Audited Financial Statements (Attachment A)	Y	Y
	Company B (Investor 1)	\$15.0M	15%	1 Business Day	N	See Bank Statement (Attachment B)	Y	Y
Debt	Company A (100% Owner of Lead Bidder)	\$20.0M	20%	10 Business Days	N	Line of Credit with Bank XYZ (Attachment C)	Y	Y
Capital Call	Company B (Investor 1)	\$10.0M	10%	10 Business Days	N	Executed Commitment Letter (Attachment D)	Y	Y
Other Source of Funding	Company C (100% Owner of Investor 2)	TBD	TBD	TBD	TBD	TBD	To be provided upon finalization of structure, if >25%	To be provided upon finalization of structure, if >25%
Other Source of Funding	Company D (Investor 3) MWO Business	TBD	TBD	TBD	TBD	TBD	To be provided upon finalization of structure, if >25%	To be provided upon finalization of structure, if >25%
Total Supported and Available Funding		\$70.0M	70%					

Appendix F

Example of completed Portfolio Management Plan

The following is an example of responses to Section 2.4 Portfolio Management Plan. Please note, the responses included below serve as an example only. The Portfolio Management Plan responses should be tailored to clearly demonstrate the intended strategy for the Portfolio.

Prompt		Response
<i>Operational Capacity</i>	Strategy for encouraging and involving MWO Businesses and local businesses in the transaction (e.g., involvement with local specialists and contractors such as (but not limited to) construction companies, legal teams, etc.)	The prospective bidder considers the involvement of businesses with local knowledge to be a key component of its overall strategy. The bidder will seek out local real estate brokers who have specialized knowledge of local market conditions. In addition, the bidder has long established relationships with four minority and women-owned general contractor companies in the local area which will be utilized for property repair, maintenance, and improvement.
	Operational capacity of your Servicer (e.g., current loan servicing capacity, excess capacity, and how your Servicer intends to modify its operations in order to accommodate an increase in loans serviced as a result of being awarded this Portfolio)	<p>The prospective servicer will leverage its extensive servicing experience (over X years of experience). The servicer currently services a portfolio of X loans across the United States in X, Y and Z states. The servicer’s staff includes approximately X employees in X offices nationwide.</p> <p>The prospective servicer has extensive experience successfully managing the information transfer between servicing platforms, including a recent transfer of X loans. The servicer has staff specifically dedicated to loan transfer. The servicer utilizes proprietary servicing software, which currently has excess capacity to accommodate X additional loans.</p>
<i>Asset Management</i>	Approach for underwriting, on-boarding, and transitioning the assets into your portfolio (e.g., due diligence practices)	The bidder will employ third-party due diligence firms to conduct loan level reviews and will verify missing or questionable collateral, compliance, and valuation data. The efforts of all third-party due diligence firms will be coordinated by servicer personnel to help ensure the quality and consistency of the evaluation of the new data. Data verified will include loan terms, negotiated loan modification terms, property tax payments due from escrow, and the status of hazard insurance. The servicer sets a specific deadline by which all information associated with a borrower's account (e.g. loan origination documentation, servicing history, customer contact history, etc.) must be

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		transferred into its System.
	Approach for evaluating and categorizing the assets	The servicer considers loan status (e.g., non-performing or delinquent) and the nature of the collateral (e.g., land, income-producing property, personal property) when developing its strategy for servicing the loans.
	Approach for servicing and managing the assets (e.g., strategies for collaborating with borrowers, developing asset-specific resolution plans)	The servicer employs varied strategies for collaborating with borrowers to resolve non-performing loans, examples of which are summarized below: - Loan Modification - In certain circumstances, the servicer will consider modifying loan terms. When considering loan modification for certain borrowers, a combination of additional borrower equity investment, collateral enhancement, improved lender controls and diminishment of potential adverse outcomes will be sought. - Discounted Payoffs - The servicer will explore the repayments of loans which may be negotiated at discounts with either existing owners or guarantors or existing sub-debt lenders.
<i>Exit Strategy</i>	Approach for assigning/assessing potential work-out strategies	The bidder employs a bottom-up approach to loan resolutions that emphasizes the need for the asset manager to fully understand the borrower, the history of the loan, the value and potential marketability of the collateral, and the investment objectives before determining a potential work-out strategy. The bidder will pursue a value-maximizing strategy based on the asset manager’s comprehensive asset level analysis. Asset managers are trained to evaluate various work-out strategies to determine the optimal strategy. The bidder encourages loan workouts with cooperative borrowers because it finds that loan workouts typically produce the best economic result; however, the bidder will aggressively manage assets once workouts with borrowers become ineffective..
	Various disposition strategies (e.g., market for sale, deed in lieu, foreclosure, loan modification, discounted pay-offs) for each asset class	In addition to the servicing-related strategies highlighted above, the bidder intends to utilize the following strategies: - Loan Sales - In certain cases, some individual loans may be sold as is or as modified to third parties, potentially at discounts to the total amounts due. - Foreclosure - In certain cases, taking title to the collateral property and repositioning the asset for sale at a later date will represent the best course of action for resolving the asset.
	Various marketing strategies (e.g., leverage regional realtors) for each asset class	In the case of a cooperative open market sale, a deed-in-lieu of foreclosure, or foreclosure, the bidder will seek out local real estate brokers who have specialized knowledge of local market conditions. The bidder will engage these local real estate specialists to perform independent valuations of properties and to market the properties.
	Anticipated timeframe for complete Portfolio resolution (e.g., five years)	The bidder expects full resolution of the Portfolio to take five years or more.