



**STATE OF HAWAII**  
**OFFICE OF HAWAIIAN AFFAIRS**  
560 NORTH NIMITZ HIGHWAY, SUITE 200  
HONOLULU, HAWAII 96817

May 16, 2016

**REQUEST FOR PROPOSALS (RFP No. NHRLF 2016-10)**  
**TECHNICAL ASSISTANCE FOR NATIVE HAWAIIAN REVOLVING LOAN FUND**

**Addendum No. 2**  
**Response to Questions**

1. Q. Regarding the contract terms with 12-month extension, is this a two-year contract?
  - A. Yes, the contract will be executed in either May or June 2016 and the start date will be July 1, 2016. The contract will be for two years and terminate on June 30, 2018. There is the possibility of extending the contract for a maximum of three (3), one year (12 months) extensions. This would result in a total contract of 5 (five) years.
2. Q. Is there a specific contract amount that OHA has identified?
  - A. No, OHA would like all interested contractors to consider the RFP specifications and provide a proposed cost, which could be assumed based on a contractor's hourly rate.
3. Q. Is there a specific amount of individuals to be served?
  - A. We anticipate 200 new borrowers and 150 borrowers who are in default will require technical assistance. In addition, 4 Hua Kanu borrowers will require more extensive assistance.
4. Q. How are the loans categorized?
  - A. There are three tiers:
    - i. Tier 1 (Individuals whose credit score are greater than or equal to 650)
    - ii. Tier 2 (Individuals whose credit score in between 600 and 649)
    - iii. Tier 3 (Individuals whose credit score in less than 600)

- a. TA Provider may be asked to assist applicants with a credit score between 595 and 599 to determine if a plan can be developed which will increase their credit score to a minimum of 600.
  - iv. Loan Products consist of the following:
    - a. Business
    - b. Debt Consolidations (Tier 1 only)
    - c. Education
    - d. Home Improvement
    - e. Hua Kanu Business Loan Program (Loan request between \$200,000 and \$1,000,000)
- 5. Q. What are the expectations for the services provided to each tier?
  - A. Tier 1 – Pre-loan consultation  
Tier 2 – Pre-loan consultation with appropriate follow-up consultation on an annual basis, except for businesses who should receive pre and post-loan consultations as needed.
- 6. Q. What are the expectations for consultations for defaulted loans?
  - A. OHA expects the contractor to analyze and provide a recommended plan for defaulted loans.
- 7. Q. What does OHA’s loan portfolio look like?
  - A. \$11 million outstanding principal balances and with \$16 million available to lend.
- 8. Q. What are the expectations for outreach?
  - A. OHA recommends outreach takes place at least quarterly through joint presentations or events and is open to suggestions that will help increase disbursement.
- 9. Q. Are there any markets to target?
  - A. The Administration for Native Americans (ANA), OHA’s partner, is directing the focus on businesses. OHA is also interested in entering the Agriculture, Food Industry, Performing Arts, and Medical/Dentistry markets. OHA would like to target Native Hawaiian professionals that are interested in starting businesses in the medical field and also Native Hawaiian entrepreneurs that support the food truck initiative in Kaka’ako.
- 10. Q. Is there a general number for each type of loan disbursement?
  - A. No, however, we have the most Home Improvement loans, followed by Debt Consolidation, Business loans, and Education loans, respectively. The intent is to start focusing marketing efforts on attracting more business loan applications.
- 11. Q. What is the maximum amount of a Mālama loan?

- A. The maximum loan amount for each Loan Product is indicated below and is pending approval of ANA:
- a. Business (\$100,000)
    - 1. General Business (\$100,000)
    - 2. Agriculture (\$100,000)
    - 3. Food Service (\$100,000)
    - 4. Performing Arts (\$20,000)
    - 5. Healthcare Professionals (\$100,000)
  - b. Debt Consolidations (\$10,000)
  - c. Education (\$20,000)
  - d. Home Improvement (\$100,000)
  - e. Hua Kanu Business Loan Program (Loan request between \$200,000 and \$1,000,000)
12. Q. What is the minimum number of guarantors for a Mālama loan?
- A. There is no minimum amount of guarantors required for any loan product. However, all businesses with additional owners/principals of the company, these individuals are required to be guarantors on the loan. Also, all business must be 100% Native Hawaiian-owned.
13. Q. Who can apply for a Mālama loan?
- A. You must be Native Hawaiian and a resident of the State of Hawaii. For business loan applicants, you must be 100% Native Hawaiian-owned business or Non-profit that has a mission specific to a Native Hawaiian cause.
14. Q. Are subcontractors allowed for this contract?
- A. Yes, as Technical Assistance needs to be provided statewide, there may be a need for subcontractors. Please identify service providers, partners and/or subcontractors established on the neighbor islands. Also, provide the qualifications for the each subcontractor.
15. Q. Are Hua Kanu loans specific to businesses?
- A. Yes, including Non-profit organizations.
16. Q. Will the contractor submit monthly reports to OHA?
- A. Yes, detailed reports are required on a monthly basis.
17. Q. Can OHA provide projections?
- A. We anticipate 200 new borrowers and 150 borrowers who are in default will require technical assistance. In addition, 4 Hua Kanu borrowers will require more extensive assistance.

If you have any questions please contact Charmaine Matsuura, RFP Coordinator at (808) 594-0273 or email: [charmained@oha.org](mailto:charmained@oha.org). Mahalo.