Statement of Work
for
Loan Management System (LMS)

Division of Capital Investment
Office of The Assistant Secretary – Indian Affairs
U.S. Department of the Interior

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1 Introduction

1.1 Objective

The purpose of this Statement of Work ("SOW") is for the Division of Capital Investment ("DCI", "Customer") under the Office of Assistant Secretary – Indian Affairs ("AS-IA"), U.S. Department of The Interior ("DOI"), to solicit businesses and solution providers ("Contractor") to continue to maintain and support the Loan Management System ("LMS"). LMS should continue to monitor and report on active and pending loans that are guaranteed and insured by DCI, as well as any residual Direct Loans to Native Indian tribes and businesses. Contractor shall provide Cloud hosting in a FedRAMP facility, licenses, technical and administrative support or helpdesk services to ensure LMS continues to operate. In addition, the Contractor may perform enhancement work to existing LMS functionality and/or develop new functionality to make LMS more efficient and effective.

1.2 Background

Congress passed the Indian Financing Act of 1974 in order to reduce the disparity between business capital available to Indian and non-Indian businesses. The Act was established to assist Indian tribes and individuals establish and expand Indian-owned businesses, and to encourage self-sufficiency.

DCI manages the Indian Loan Guarantee, Insurance and Interest Subsidy Program which helps borrowers secure business financing on commercially reasonable terms. The program works with approved lenders to make loans to tribes and Indian-owned businesses that are otherwise unable to secure loans at reasonable terms and conditions by guaranteeing those loans up to 90%.

DCI supports this program through its loan specialists that perform the following key activities among others:

- Interact with the lenders, review their loan guarantee applications and submit recommendations for approval or denial.
- Monitor all aspects of the Guaranteed, Insured, and residual Direct loans
- Assist in producing Treasury Report on Receivables ("TROR") and Debt Collection Activities for dissemination to the Department of Treasury, OMB, Office of the Chief Financial Officer ("OCFO") and other agencies that perform external monitoring of the program
- Generate periodic statistical reports on Guaranteed and Direct loans capturing information such as the total loan amount, duration,

percentage of loan guaranteed, allocated subsidy, subsidy payments, borrower repayment and outstanding balances.
- Provide technical assistance to tribes and individuals. e.g., Connecting borrowers with participating lenders as appropriate

In addition to loan specialists the program is complimented by the OCFO - Loan Accounting Staff ("LAS") which is located in Albuquerque New Mexico, and perform the following key activities among others:

- Monitor status of Guaranteed and residual Direct loans by tracking information such as borrower & lender data, payment schedules, note payments, miscellaneous receipts, modifications, write-offs; this requires interaction and reconciliation with data maintained in DOI's Financial and Business Management System ("FBMS")
- Produce Treasury Report on Receivables ("TROR") and Debt Collection Activities for dissemination to the Department of Treasury, OMB, Office of the Chief Financial Officer ("OCFO") and other agencies that perform external monitoring of the program
- Track receivables and payouts
- Identify, examine and follow-up on delinquent loans
- Modify notes and amortization tables
- Track collections data such as future payments, late payments and charges, guaranteed premiums
- Add and update lender and borrower information
- Calculate accruals for guaranteed and direct loans
- Generate reports such as aged receivables, note payment history, transactions over specific periods, projected collections

1.3 Project Objectives and Requirements

The current version of LMS is operating in the Tyler Federal Products Suite PaaS environment and the DCI is seeking a follow-on solution equal to or similar. For this order, DCI requires a turn-key solution that includes the hosting, dev/test environments, operating system(s) platform as well as application support.

The Contractor shall provide software maintenance support including incident-based help desk support between the hours of 8am and 8pm (Eastern Standard Time) on normal business days. This will include regular product upgrades and/or releases, bug fixes, and changes needed to stay compliant with reporting regulations and statutory changes.

The Contractor shall provide both corrective maintenance and adaptive maintenance.

- Corrective maintenance encompasses modifications that fix application problems caused by design, logic, or coding errors. Examples of corrective maintenance are (but not limited) to the following:
    - Calculations that generate incorrect totals
    - Data screens that omit a required entry or store an entry in the improper location
    - Aborted Programs
- Adaptive maintenance generally involves modifications that are mandated in response to laws or regulations that govern DCI programs; to hardware or software changes, and/or to upgrades within DCI's technical architecture. This type of maintenance may also involve activities aimed at adding or modifying functionalities in response to new or changed requirements. It includes those activities that have been thought out and planned for future implementation. This type is usually a modification required because of software changes or a modification required because of anticipated hardware changes. Examples of adaptive maintenance are (but not limited) to the following:
    - Changes in software that were promulgated by new laws or regulations
    - Optimization of execution time, memory size, and file management
    - Standardization of naming conventions and development methodology

It is the Contractor's responsibility to fully test both software patches and upgrades prior to installation and provide the Customer with test results.

In addition, DCI, the Customer is interested in maintaining LMS at its current state that centralizes the data repository, promotes user and departmental collaboration, automates business processes, generates ad-hoc and advanced reports with minimal efforts, and eliminates data errors that are typically associated with manual operations.

Below are Customer's **general** system requirements for LMS.

1. Open solution and secured architecture - It is mandatory that LMS meets all Federal (NIST) and Departmental security standards and access requirements.
2. Centralized data repository.
3. Web based – No additional client files shall be installed (reside) on user's machine.
4. Simple to access and use.
5. Modularized - Functionality can be added without too much configuration.
6. Flexibility - Federal standards change constantly, and the new LMS must allow for changes.
7. Easy and intuitive search capabilities.
8. Robust reporting capabilities.
9. Integration and Compatibility with major RDBMS.
10. Relatively inexpensive to acquire and maintain - Customer operates a small program with a small budget.

Enhancement Objectives

Below are Customer's enhancement objectives and requirements for LMS

- Elevate the Loan Management System (LMS) from a functional data repository to a process-driven platform that streamlines end-to-end loan workflows, improves data quality, and reduces manual effort.
- Deliver a fully managed, turn-key solution that includes hosting, dev/test environments, operating systems/platforms, application deployment, and ongoing application support.
- Improve clarity, consistency, and completeness of data at each stage of the loan lifecycle by optimizing field definitions and order, automating calculations and handoffs where feasible, and strengthening import/export capabilities and auditability.
- Include an underwriting module within the existing LMS to replace manual underwriting bottlenecks that processes a credit risk assessment, document verification, compliance checks, and built in calculators to measure a borrower's debt-to-income ratio, profit and loss, outstanding debt service, overall capacity to repay, previous and future projections, add backs, cash flow (taking into account multiple company cash flows), and other necessary calculations and generates borrower eligibility terms in real-time.
- Upgrade the existing collections architecture to include automate status assignments, prioritize delinquent accounts, late payment (30, 60, 90 + days) notifications to Collections Coordinator and the Debtor, accounting

receivables system functionalities, editable notices (initial demand notices, letters, etc.), and ability to provide real-time dashboards to improve portfolio recovery rates, pull status information as needed in an easy and usable format.

- Upgrade manual to digital application checklist with a portal system that supports each required document on the documentation checklist including titling of documents that enhances organization within LMS.
- Cloud based hosting service to include public facing link to documentation checklist, where lenders can upload documents for each item on the documentation checklist that will be reflected and stored in LMS for loan officers to access and review.

Evaluate each stage (1–20), including the cloud based hosting service for LMS.

In addition to the above functional system requirements, LMS shall be able to perform and meet the following important requirements, some of which may be duplicates or extensions of the **general** and **functional** system requirements stated above.

Additionally, for each item below as well as the above functional system requirement, conduct structured walkthroughs using representative mock loan applications and collections to evaluate each of the 1- 20 items.

- Capture processes: manual vs. automated steps, triggers, roles/approvals, and SLAs.
- Data Exchange: import/export needs, file formats, mappings, and reconciliation checks.
- Gaps/Issues: what works well, what is deficient, and what remains incomplete.

1. LMS must continue to store or access the current version of Indian Financing Act statutes (25 U.S.C. §1451 *et seq*.), current regulations (25 CFR Parts 101 and 103), current DCI forms, and relevant Department Manual provisions, Secretarial Orders, standard operating procedures, or policy directives.
2. LMS must continue to show the total and used portions of current weighted annual ceiling for guaranteed and insured loans, together with total and used program appropriations and OMB's guaranteed and insured loan subsidy.

3. LMS must continue to store or access a simple log format to be completed for loan guarantee and loan insurance proposals (where prior review is required), to serve as a record of rejected deals and deals currently under consideration. Log entries should be able to pre-populate guaranteed and insured loan records if and when obligated.
4. LMS must continue to track the payment of loan guarantee and insurance premiums.
5. LMS must continue to distinguish guaranteed and insured loans that have been obligated from those that have closed and funded.
6. LMS must continue to keep track of obligated funds, which can be de-obligated.
7. LMS must continue to store or access accurate lender, borrower and loan disbursement information, principal, interest and fee repayment data for all previous and existing Indian Financing Act direct, guaranteed, and insured loans. That includes pre- and post-Credit Reform loans, current and defaulted loans, assigned and paid off loans, and loans or notes linked by transaction, refinancing, or settlement agreement. It also includes expert witness direct loans. It must have clear identity, address, phone number, tax identification and (where applicable) ABA number information for all parties, including subsequent lenders, merged or re-named parties, guarantors, and any borrowers who may have assumed the debt from another, previous borrower.
8. LMS must continue to compare the amortization schedule versus the actual payments made, providing alerts when accounts otherwise become delinquent.
9. LMS must continue to store or access files with scanned copies of loan documents, including loan guarantee certificates and conditions, amendments, and significant correspondence and related documentation such as lender loan payment reports, leases, insurance policies on title, key man, property, liability, etc. , payment and performance bonds, requests for loan modification, default notices, claims for loss, documentation of lender liquidation efforts, and/or settlement agreements.
10. LMS must continue to calculate interest subsidy payments.
11. LMS must continue to track interest subsidy payments information.
12. LMS must continue to store or have access to standard forms for lender approval, loan guarantee approval, loan insurance approval, loan payoff notification, payment demand letters and similar correspondence.
13. LMS must continue to clearly and accurately reflect when an assigned guaranteed or insured loan becomes a Federal debt for purposes of

compliance with deadlines, such as mandatory transfer to Treasury for collection.

14. LMS must continue to allow staff to input and modify information concerning collection efforts, such as submission to Department of Justice ("DOJ") or Treasury for collection, collection progress, or pending loan modification negotiations.
15. LMS must continue to store or access information concerning the bankruptcy proceedings of any lender, borrower, guarantor, or other key party, and provide alerts concerning action due dates.
16. LMS must continue to readily search through and gather system data based on the name of the lender or borrower, tribal affiliation, transaction dates, loan amount, DCI Zone, state, loan type, loan term, payment frequency, adjustable rate features, balloon features, key personnel, approval for interest subsidy, risk category, days delinquent, collection strategy, placement with DOJ or Treasury, loan guarantee or insurance number, and similar parameters for research and reporting purposes.
17. LMS must continue to allow report data to interface with, or readily be transformed into a format that can interface with, other required Federal financial and reporting systems such as FBMS.
18. LMS must continue to clearly link closed files with any authorized loan forgiveness, cancellation orders or fulfilled settlement agreements, whether initiated by the Department of the Interior, Department of Justice, Treasury, or Congress, and house or access a copy of the relevant document(s).
19. LMS must continue to track system access and changes to file data such as loans, and be able to identify unauthorized system use, or miscellaneous changes in order to encourage efficiency and track errors and their correction.
20. LMS must continue to allow for search functions, the objective being to reduce manual search time and implement enhancements to include a global search bar as well as building systems for fuzzy search & typo tolerance to return relevant results.

The Customer also requires cloud-based hosting services for LMS. This service must meet all Federally (NIST) mandated and Departmental security standards and access requirements. A Service Level Agreement ("SLA") detailing the type and expected level of service shall be provided at a later date during the project.

2 Enhancements Definition and Approach Summary

The Customer can request the Contractor to develop and implement new enhancement(s) to existing functionality or new functionality. In addition, the Contractor may uncover work beyond the scope of this engagement. The Contractor will document these items, and address them during a future engagement.

To address the enhancement(s), the Contractor will provide a full suite of services including business analysis, implementation, installation & configuration, User Acceptance Testing Support, support/help desk, maintenance, and training. The scope of this effort is as follows:

- Business Analysis: The Contractor will perform business requirement analysis through a series of interviews and workshops with ZM and LAS Subject Matter Experts (SME) and also through reviews of existing process documentation and LMS configuration. The Contractor will provide recommendations and implementation strategies to Customer to streamline its business processes, procedures, and workflows by leveraging the capabilities of the software solution.

- Implementation & Configuration: Once the Customer has agreed and accepted the Contractor's recommendations, the Contractor will design and configure the enhancement to ensure the functionality will not disrupt the current LMS processes. If current processes are disrupted, the Contractor will be responsible to address and fix any and all issues caused by the enhancement.

- User Acceptance Testing Support: The Contractor shall perform system testing and also support ZMs and LAS staff in User Acceptance and Production testing. The Contractor shall execute functional tests to verify that the LMS software solution is functioning according to the requirements. The Contractor shall share the test results with the Customer.

3 Security

The component parts of this effort, such as reports, are expected to contain PII and highly sensitive information that could act as a guide for hostile entities to cause harm to the DCI's critical infrastructure. Any such information made available in any format shall be used only for the purpose of carrying out the provisions of this agreement. Such information shall not be divulged or made known in any manner to any person and all security reports shall be labeled "For Official Use Only." The Contractor shall immediately notify the DCI Management team upon discovery of

any inadvertent disclosures of information. The Contractor shall not retain any information regarding vulnerabilities, to include summaries, the actual vulnerability report, or any other data/information, at the end of the task order. All information arising from this task, both hard copy and electronic, will be returned to the government at task conclusion.

The Contractor shall not be in the possession of or disclose sensitive or proprietary information of the Customer or any of its principal office components, Contractors, or business partners to unauthorized persons. The Contractor will be subject to any and all penalties imposed by law for unlawful disclosure of Customer's information.

4 Change Request

The Contractor and Customer recognize that unanticipated issues or changes to requirements may impact the planned Services. The project managers from the Contractor and the Customer will communicate of any changes contemplated to the planned Services. The Contractor's project manager shall make reasonable effort to provide adequate notice for any deliverable at risk of missing an expected delivery date.

The following Change Control process shall be followed if a change to this SOW is required:

1. Contractor and Customer will mutually agree that it is necessary to change the Services.
2. A Change Order form will be the vehicle for communicating and approving change. The change order form must describe the change, the rationale for the change and detail the effect the change will have on the Services, resources, schedule, and cost.
3. The Change Order Form must be signed by authorized representatives from both parties to authorize the implementation of the change. Until a change is agreed to in writing, both parties will continue to act in accordance with the latest agreed version of the SOW.

A "Change" is defined as a detailed requirement or feature that is not supported by the requirements outlined herein.

5 Period of Performance September 1, 2026- August 31, 2027

6 Place of Performance

7 Customer Furnished Items

The Customer shall provide (as necessary) computers, printers, and local area network (LAN) connectivity on its facility.