



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Opportunities & Solutions: ServiSolutions® Expands to Serve HFAs

HFA Alabama Housing Finance Authority

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013**.

Use this header on the upper right corner of each page.

HFA: Alabama HFA

Entry Name: **Opportunities & Solutions: ServiSolutions® Expands to Serve HFAs**

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input checked="" type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

Opportunities & Solutions: ServiSolutions® Expands to Serve HFAs

In late 2004, consolidations in the banking industry threatened to move the servicing of AHFA loans to offices outside of the state. AHFA's Board of Directors saw an opportunity to expand the organization's focus and created AHFA's servicing department—now known as ServiSolutions®—thereby preserving jobs for Alabama citizens and creating a new avenue with which to serve our state's homebuyers.

Within weeks 15 employees had been hired, additional office space obtained, and computer and office equipment and supplies had been purchased. Within 75 days, AHFA had received the necessary approvals from Fannie Mae, Ginnie Mae, USDA Rural Development, VA & HUD. On March 1, 2005, AHFA's servicing department opened with 12,000 loans worth \$750 million.

In early 2010, the state's two banking trade associations contacted AHFA concerning requirements of the recently passed Dodd-Frank Act that would require banks to escrow for taxes and insurance on many of the mortgage loans they originate.

The new law was intended to enable borrowers to make better purchasing decisions and prevent foreclosures. However, the new requirements created significant extra work for banks servicing mortgage loans—particularly small and/or community banks who had historically serviced the mortgage loans that they originated, but lacked the infrastructure and staff to meet these ever-changing demands.

In response, AHFA created its BankServe product, through which AHFA performs those servicing functions on behalf of participating banks. To do so required a change of AHFA's enabling legislation to allow AHFA to service loans for borrowers regardless of income and to allow AHFA to service loans in states other than Alabama. The bill to make these changes was unanimously approved in the state legislature and was signed into law on March 12, 2010. Approval by AHFA's Board of Directors quickly followed and AHFA was ready to accept mortgages from banks by April 1, 2010. Currently, 30 banks participate in the BankServ option.

It was during this process that AHFA decided to re-brand its servicing department as "ServiSolutions®"—distinguishing it as a department of AHFA that services loans not only for the residents of Alabama but of other states as well.

The new act allowing AHFA to service loans in other states provided the opportunity for even greater expansion. In the fall of 2011, AHFA responded to a Request for Proposals for master servicer of the Washington State Housing Finance Commission (WSHFC). AHFA's proposal was accepted by a unanimous vote of the Board of Directors of the WSHFC. In November, AHFA's Board of Directors approved a resolution allowing ServiSolutions® to act as servicer for new loans generated through the WSHFC.

The unique arrangement between AHFA and the WSHFC was unprecedented, marking the first time any HFA had crossed its state boundary lines to provide loan servicing. Despite the unparalleled nature of the arrangement, the Washington State Housing Finance Commission was looking for an alternative to servicing from a large banking concern.

“We felt that another HFA would have the same attitude that we did toward customers, working with the underserved and helping people who are just learning about the process,” said Dee Taylor, director of homeownership programs at WSHFC. “It was the right thing to do for our customers.”

“They [ServiSolutions®] understand these people are very green—they’ve never had a mortgage before, don’t know what an escrow account is, etc.,” said Taylor. “They make it better and easier for our customers to maneuver through the final stage of the home buying process: making the first payment and then moving down the road for the next 30 years.”

“They’re just good people,” Taylor added. “If we could service our own loans, we would do it the way Alabama does.”

The collaboration has been a tremendous success. To date, ServiSolutions® services more than 3,200 loans for the WSHFC.

“We were thrilled to be the first housing finance agency in the country to partner with another HFA to be our single-family program servicer,” said Kim Herman, WSHFC executive director. “We greatly enjoy the partnership—and it has served us well.”

Furthermore, the expansion of ServiSolutions® is continuing. AHFA was recently chosen to be the Master Servicer for the Missouri Housing Development Commission, beginning in August 2013.

“We HFAs are a diverse group,” said AHFA Executive Director Robert Strickland. “But, our differences make us stronger when we are able to exchange ideas and work together toward our common goals. Collaborations such as this are bettering our group as a whole and pushing our industry forward.”

As of June 2013, ServiSolutions® services a portfolio of 24,246 loans for a total of \$1.5 billion.