

# NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

**Deadline: Wednesday, June 10, 2015**

Visit [ncsha.org/awards](http://ncsha.org/awards) to view the Annual Awards Call for Entries.

**Instructions:** Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at [mcunningham@ncsha.org](mailto:mcunningham@ncsha.org) or 202-624-5424.

Fill out the entry name *exactly* as you want it listed in the program.

**Entry Name:**

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**HFA:**

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**Submission Contact:** (Must be HFA Staff Member) 

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 **Email:** 

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Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

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

**HFA:** 

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**Entry Name:** 

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**Select the appropriate subcategory of your entry and indicate if you are providing visual aids.**

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			



## **2015 NCSHA Award Nomination**

**HFA: Colorado Housing and Finance Authority**

**Category: Management Innovation – Operations**

**Entry Name: CHFA Lender Scorecard – Improving Partner Relationships**

CHFA's Participating Lender network is the lifeblood of our home finance business. The relationship we have with each of our participating lenders is integral to our success. CHFA does not originate loans; rather, we depend on our lender network to promote and offer CHFA programs to those customers who can benefit the most from our affordable, fixed rate products.

The best way to be a good partner is to be a good listener. Toward that end, we hold three meetings a year with our Participating Lender Advisory Group and regularly meet face-to-face with of our Participating Lenders to help them stay abreast of new program offerings and program changes, while also lending an ear to their concerns.

In 2013, CHFA identified a need to further enhance our lender relationships. Lenders were telling us that CHFA's programs and processes were no longer in line with industry trends. Loan review was not as transparent or timely as it could be, and lender compensation was an area of concern. To better understand these challenges, CHFA posted an RFP for an outside firm to conduct an operational review of our home finance operations. Stewart Lender Services was selected to review internal processes and procedures, as well as partner relationships, from August to November 2013.

### **Innovation**

One valuable suggestion from the review was to implement the use of a lender scorecard to increase meaningful communication with our lender partners. In just three short months, the CHFA Lender Scorecard (Lender Scorecard) was developed in-house, using only staff time, and was launched in July 2014.

Participating Lenders could view their CHFA production performance over a 12 month period, and see monthly statistics. They could view current production and compare it with their production in the prior 12-month cycle, including incurred fees, rewarded premiums, cancellation rates, cycle times, and suspense rates. All of these line items can greatly affect a lender's profitability in working with CHFA, as well as the overall ease of partnership. In addition, they could benchmark their performance in comparison to other CHFA Participating Lenders which is a feature not offered by many investors.

### **Respond to management challenge**

CHFA's Home Finance Business Development team is comprised of one manager and four specialists. Each specialist is tasked with visiting 10 lenders a month, while also conducting lender trainings and handling daily lender inquiries via email and phone. Prior to the scorecard, the team did not have the ability to analyze each of their lender partners' performance at a granular or comparative level. Often, they lacked the resources and data needed to identify trends or problem areas that each lender was experiencing.



The new Lender Scorecard drills down to trend lines for the specialists, helping them quickly identify key talking points and areas of improvement to address with each lender partner, effectively improving the lender's relationship with CHFA.

### **Achieve measurable improvements in agency operations**

Additionally, the Lender Scorecard grants our Business Development manager and staff greater access to the executives at our Participating Lender financial institutions. Traditionally, when specialists visit lender locations, they are speaking with the originators and/or loan processors, those on the front line of the lending process. While these are important contacts for us, it is ultimately the executives who can drive CHFA activity at their firm.

In the past, it was difficult to definitively communicate the benefits and opportunities associated with working with an investor such as CHFA. Today, the Lender Scorecard gives the Participating Lender executives a snapshot of the benefits of working with CHFA and identifiable ways to increase profitability from CHFA lending. We are able to get management buy-in to affect change (be that through trainings, onsite contact, etc.), which drives more improvement than simply interacting with sales and operations staff members.

In turn, the Lender Scorecard reports will influence future trainings. We can utilize the reports to easily identify loan file documentation and document requirements with which certain Participating Lenders are experiencing difficulty. We can then offer customized training to the lender to address these problem areas. This allows us to further customize each relationship, using time in the most efficient way to build true partnerships that are beneficial for both sides, as well as Colorado homebuyers.

### **Benefits outweigh costs**

The CHFA Lender Scorecard was developed internally using Microsoft's Reporting Services by one business intelligence developer from our information technology team. Data points were developed through meetings with our Participating Lenders Advisory Group, as well as through meetings with the Business Development team and business intelligence team members. The minimal cost of staff time for a limited three-month period will be gained back through the improved efficiencies gained from the granularity offered by the Lender Scorecard.

Participating Lender relationships will also improve as we have hard figures and data to show them when discussing how to improve their performance, thus reducing costs and increasing profits. The Lender Scorecard allows us to show that we are committed to the success of our lender partners. As one Participating Lender stated, "This is excellent to not only see where we stand with CHFA, but also to see how we rank with our peers. Very helpful. Thank you." (Carol Peterson, Universal Lending Corporation, Denver)

Finally, the Lender Scorecard helps us dispel Participating Lenders' assumptions we have heard about certain programs "not paying as well" as others. By providing transparency regarding their performance, we can show them that with simple changes they can improve the profits they are making on each CHFA loan, and that their profitability concerns may be more a matter of the quality of their loan submissions than the level of compensation offered by CHFA. By giving the Participating Lenders the information



needed to empower themselves to become more efficient and more profitable, we hope that this results in a wider variety of affordable product offerings being available to homebuyers.

### **Effective use of resources**

The use of the CHFA Lender Scorecard allows for better use of Business Development staff time. The Lender Scorecard provides the team with the ability to focus on their Participating Lenders' performance at a granular level, increasing the effectiveness of meetings, and improving relationships.

By breaking down overall performance into easily digestible statistics, the Business Development team is able to proactively address Participating Lender's concerns while offering concrete suggestions for improvement at the brand or individual staff (loan officer, processor, shipper, etc.) level.

### **Replication**

The Lender Scorecard is replicable for other housing and finance agencies as long as they have a software system that can track necessary data elements. We used Microsoft SQL Reporting Services, and the entire scorecard was developed by a business intelligence developer from our in-house information technology staff over three months, utilizing our developed business intelligence system. The only cost incurred was staff time for development and Business Development team staff time for training.

### **Achieve strategic objectives**

The CHFA Lender Scorecard improves our Home Finance staff's ability to proactively identify areas of concern for our Participating Lenders, and give concrete solutions for improvement. It also gives us a way to visit with the Participating Lender executives who determine the level of participation with CHFA.

It brings a new level of understanding to our relationships with our Participating Lenders on all levels, and gives them a physical manifestation of our investment in their success.

Overall, the CHFA Lender Scorecard will help CHFA and our Participating Lenders improve on our vested interest in providing affordable home loan products to homebuyers, helping us meet our strategic goals of increasing loan production and continuing to provide safe, decent, and affordable housing for the people of Colorado.

### **Attachments**

Sample Lender Performance

Sample Lender Performance - Production





1981 Blake Street  
Denver, Colorado 80202  
800.877.chfa (2432)  
www.chfainfo.com

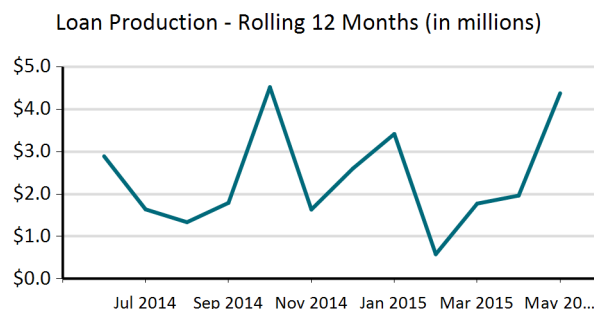
# chfa lender performance

Sample Lender

June 1, 2014 to May 31, 2015

## production

(purchased loans)		(YTD)		(Rolling 12 Months)	
Loan Type	Count	Amount	Count	Amount	
FHA	50	\$8,310,283	101	\$16,587,091	
Conventional	23	\$3,531,525	68	\$11,347,252	
VA	1	\$175,636	1	\$175,636	
CHFA Second	20	\$92,770	85	\$410,271	
<b>Totals <sup>1</sup></b>	<b>74</b>	<b>\$12,110,215</b>	<b>170</b>	<b>\$28,520,250</b>	



(purchased loans)		(YTD)	(Rolling 12 Months)
Premiums & Fees	Amount	Amount	Amount
Premiums	\$204,565	\$482,943	
Fees	(\$8,903)	(\$14,189)	
<b>Net</b>	<b>\$195,662</b>	<b>\$468,754</b>	

Cycle Time	(YTD) Avg Days	(Rolling 12 Months) Avg Days
Reservation To Purchase	59.3	57.3

Total premiums as % of loan volume 1.68% 1.69%

<sup>1</sup> Total loan count excludes CHFA Seconds

## performance

(Rolling 12 Months) Cancellation % <sup>2</sup>	Cancelled Loans	Reserved Loans	Your Score	Peer Average	Target
<a href="#">Cancellation</a>	40	254	16%	18%	20%



(Rolling 12 Months) Suspend % <sup>3</sup>	Suspended Loans	Purchased Loans	Your Score	Peer Average	Target
<a href="#">Program Compliance</a>	144	170	85%	87%	80%
<a href="#">Pre Funding</a>	158	170	93%	83%	70%



(Rolling 12 Months) Average Days to Clear	Your Score	Peer Average	Target
<a href="#">Program Compliance</a>	2	3	2
<a href="#">Pre Funding</a>	4	10	5



(Rolling 12 Months) Overdue Final Docs <sup>4</sup>	Overdue Loans	Purchased Loans	Your Score	Peer Average	Target
<a href="#">Late Final Docs</a>	4	154	3%	12%	10%



<sup>2</sup> Cancellation % defined as the count of cancelled loans divided by the count of reserved loans

<sup>3</sup> Suspend % include only suspends related to purchased loans based on funding date.

<sup>4</sup> Post Closing Overdue for 203K loans is greater than 180 days; all other loans greater than 90 days







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## Sample Lender

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### borrower

(Loans 0 to 12 Months Old)

<b>Delinquency</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
Current	162	98.2%	97.8%
30 Days Delinquent	1	0.6%	1.5%
60 Days Delinquent	0		0.4%
90+ Days Delinquent	2	1.2%	0.2%
Active Foreclosure	0		0.1%
<b>Totals</b>	<b>165</b>	<b>100.0%</b>	<b>100.0%</b>

(Loans 13 to 24 Months Old)

<b>Delinquency</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
Current	174	94.1%	93.3%
30 Days Delinquent	7	3.8%	3.9%
60 Days Delinquent	1	0.5%	0.5%
90+ Days Delinquent	1	0.5%	1.6%
Active Foreclosure	2	1.1%	0.7%
<b>Totals</b>	<b>185</b>	<b>100.0%</b>	<b>100.0%</b>

(Rolling 12 Months)

<b>Credit Score</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
No Score Available	4	2.4%	1.4%
CHFA Streamline Refinance	2	1.2%	1.5%
620 to 639	25	14.7%	13.0%
640 to 659	8	4.7%	12.0%
660 to 680	27	15.9%	14.3%
680 to 699	32	18.8%	16.8%
700 to 719	20	11.8%	12.2%
720 to 739	16	9.4%	8.9%
Over 740	36	21.2%	20.0%
<b>Totals</b>	<b>170</b>	<b>100.0%</b>	<b>100.0%</b>

(Rolling 12 Months)

<b>EPD &amp; Repurchase</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
Early Payment Default	1	0.6%	0.5%
Repurchase	0	0.0%	0.0%

### community impact

(Rolling 12 Months)

<b>CRA Eligible <sup>5</sup></b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
CRA-Eligible	67	39.4%	25.4%

(Rolling 12 Months)

<b>Targeted Area</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
Targeted Area	67	39.4%	25.3%

(Rolling 12 Months)

<b>Area Median Income</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
Under 80%	0	0.0%	0.3%
80% to 100%	3	1.8%	1.0%
Over 100%	167	98.2%	98.6%
<b>Totals</b>	<b>170</b>	<b>100.0%</b>	<b>100.0%</b>

(Rolling 12 Months)

<b>First-Time Homebuyer</b>	<b>Loan Count</b>	<b>% Loans</b>	<b>Peer Avg</b>
First-Time Home Buyer	134	78.8%	82.6%

<sup>5</sup> CRA - Eligible applies to loans that have either an Area Median Income under 80% or located in a Targeted Area





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# chfa lender performance

Sample Lender

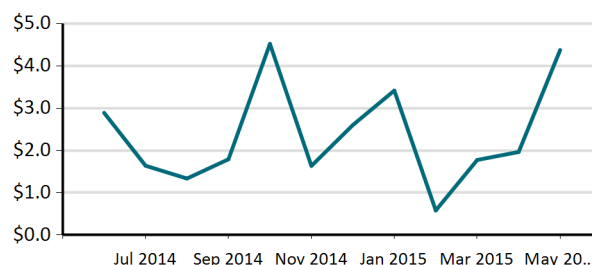
June 1, 2014 to May 31, 2015

production

(purchased loans)

Loan Type	Count	(YTD)	(Rolling 12 Months)	
		Amount	Count	Amount
FHA	50	\$8,310,283	101	\$16,587,091
Conventional	23	\$3,531,525	68	\$11,347,252
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Loan Production - Rolling 12 Months (in millions)



(purchased loans)

Premiums & Fees	(YTD)	(Rolling 12 Months)
	Amount	Amount
Service Release Premium	\$180,262	\$421,650
80% of Area Median Income Premium	\$7,372	\$17,300
Credit Score Premium	\$5,819	\$14,843
Second Mortgage Premium	\$2,400	\$11,850
Early Purchase Loan Premium	\$4,300	\$9,934
Non-Metro Premium	\$4,169	\$6,950
Loan Amount <75K Premium	\$243	\$416
Loan Delivery Extension	\$0	(\$934)
Rate Adjustment Fee	(\$1,566)	(\$1,566)
30 Day Loan Delivery Extension	(\$1,065)	(\$2,201)
Funding Extension	(\$2,035)	(\$3,025)
Suspension Penalty (1)	(\$4,237)	(\$6,463)
<b>Net</b>	<b>\$195,662</b>	<b>\$468,754</b>

Cycle Time	(YTD)	(Rolling 12 Months)
	Avg Days	Avg Days
Reservation To Purchase	59.3	57.3

**Total premiums as % of loan volume**      **1.68%**      **1.69%**

(purchased loans)

Production Month	(Rolling 12 Months)		Premiums	Fees
	Count	Amount		
<a href="#">Jun 2014</a>	18	\$2,889,336	\$46,973	(\$1,397)
<a href="#">Jul 2014</a>	10	\$1,639,011	\$29,316	\$0
<a href="#">Aug 2014</a>	7	\$1,336,907	\$22,759	\$0
<a href="#">Sep 2014</a>	11	\$1,791,819	\$30,208	\$0
<a href="#">Oct 2014</a>	25	\$4,517,543	\$76,407	(\$2,009)
<a href="#">Nov 2014</a>	10	\$1,634,655	\$28,503	(\$672)
<a href="#">Dec 2014</a>	15	\$2,600,764	\$44,212	(\$1,208)
<a href="#">Jan 2015</a>	22	\$3,414,765	\$57,252	(\$1,111)
<a href="#">Feb 2015</a>	4	\$582,642	\$9,779	\$0
<a href="#">Mar 2015</a>	10	\$1,775,653	\$29,646	\$0
<a href="#">Apr 2015</a>	13	\$1,963,926	\$36,220	(\$1,725)
<a href="#">May 2015</a>	25	\$4,373,229	\$71,668	(\$6,067)
<b>Totals</b>	<b>170</b>	<b>\$28,520,250</b>	<b>\$482,943</b>	<b>(\$14,189)</b>





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# chfa lender performance

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Sample Lender

June 1, 2014 to May 31, 2015

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