

NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 15, 2016

Visit 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 awards@ncsha.org or 202-624-7710.

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

Entry Name: _____

HFA: _____

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

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

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

HFA: _____

Entry Name: _____

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 | | | |

MassHousing
Management Innovation - Operations
Improved Multi-Family Borrower Statement

MassHousing's Loan Servicing Department, contained within the Finance and Accounting Division, is tasked with numerous operational functions for the Agency's Multi-Family business line.

Loan Servicing works closely with the Underwriting Division to analyze new and existing development financing opportunities. As such, Loan Servicing staff are called upon to review and analyze the credit history of new and existing borrowers. They also coordinate the closing process with the Agency's Underwriting, Legal and Treasury Departments and with the borrower which involves detailed reviews of loan documents, Source and Use Statements, and Settlement Statements to ensure that all information is timely and accurately recorded.

Each and every member of the Loan Servicing Department is acutely aware of the role they play in supporting borrowers and representing MassHousing in a positive and professional manner. For the Agency's Multi-Family borrower, Loan Servicing is the point of contact on every financial aspect of their interaction with MassHousing. For example, borrowers interact with Loan Servicing monthly to pay their debt service or to request disbursements from their escrowed funds to pay real estate taxes, property and liability insurance, mortgage insurance and expenditures for replacement reserves. They rely on staff to present them with timely and accurate information regarding loan balances, interest rates, changes to their payment schedules – anything loan or escrow related. They also rely on the Loan Servicing staff to coordinate with their management agents and outside auditors whenever necessary.

In today's lending environment for state housing finance agencies – with an aging rental housing stock and myriad private lenders pursuing borrowers – the best customers are the current customers and MassHousing is determined to provide high quality customer service to them that ensures that they will want to remain a customer of the Agency over the long-term.

At the same time, Loan Servicing is the main point of contact internally for all departments which are operational divisions of MassHousing. Loan and borrower information is presented with the same high level of service in a timely, accurate and professional manner to colleagues in Asset Management, Accounting, Underwriting and Legal as it is to the Agency's borrowers.

Loan Servicing also involves the refinancing or prepayment process on a loan. Loan Servicing must always promptly and accurately present information internally and externally to assist borrowers and internal departments in these processes. The work involved is time sensitive and of major importance to MassHousing's borrowers.

Because of the important role of this part of the Agency, Loan Servicing has worked to standardize the processes and timelines involved in this function to be able to move these transactions forward promptly and efficiently from the first contact for a payoff statement through the discharge of a mortgage.

Over the past few years, Loan Servicing has been proceeding step-by-step through the points of interaction with Agency borrowers examining practices and functions that could be improved. The most notable improvement in this process was undertaken a few years ago. At that time, the "On-line Portal"

was unveiled which allows borrowers 24/7 access to their loan information. This is a tremendous tool that has brought MassHousing further into the digital age.

This past year, in an effort to be more innovative and to respond to borrowers' concerns that some information was incomplete, an examination was conducted. It was soon discovered that the "Borrower Statement" that was presented was inadequately constructed and did not present all of the information that a true Borrower Statement should provide. It was primarily a "Transaction Report" and as such, did not represent a loan's full picture. This was mainly because the statement was a "canned" report built by a Loan Servicing software vendor with no real thought given to its end user's needs – and especially not the unique needs of a MassHousing borrower. Building a new statement presented an opportunity to provide a better and more professional product that would improve borrowers' interactions with the Agency and more fully represent their financial position.

A "Borrower Statement" is just that ... a statement of a borrower's loan information as of a month end date. Most people with a home mortgage loan receive one each month from their lender. MassHousing's new Borrower Statement was modeled after what a home statement typically looks like. The new statement offers all of a borrower's loan data points in an easy to read format.

Additionally, the statement is also intended to be used as a "Loan Confirm" issued to a borrower's auditors annually during their audit cycle. The audit cycle is the period, typically after calendar year-end, when borrowers' auditors will request that the Agency confirm their loan and escrow balance, maturity date, interest rate and other key information.

Loan Servicing, working in collaboration with the IT Department, researched how and where the proper loan data was stored in our Loan Servicing system. Multiple loan scenarios were tested to ensure the accuracy of the data presentation. Finally, numerous formats, presentations, font sizes and images were tested to make the statement as user-friendly as possible.

The new Borrower Statement has been a tremendous success. Numerous plaudits were received from borrowers for thoroughness and ease of readability of the statement. Additionally, a large number of outside audit firms have commended the Agency on the professional and uniform presentation of the Loan Confirms this past audit cycle.

For the Agency, the improvement in service can be measured by the reduced number of telephone calls and e-mail correspondence asking for transactional information or loan data. For borrowers, it has shown them that MassHousing is taking the initiative to stay technologically current and that the Agency is willing to listen to their concerns and respond to them quickly and efficiently.

Loan Summary

Development Name: [REDACTED]
Project ID: 74-067

Bill to Contact: [REDACTED]
[REDACTED] CENTRE STREET
BROOKLINE, MA 02446

Borrower Name: [REDACTED] HOUSING

Loan Number: 74-067-01

Loan Status: ACTIVE
Loan Closing Date: 11/05/2002
Paid to Date: 12/01/2015
Next Due Date: 02/01/2016
Maturity Date: 11/01/2042
Interest Rate: 6.050000%

Loan Balance Information as of 12/31/2015

| | |
|------------------------------|----------------|
| Original Principal Balance: | \$8,850,000.00 |
| Current Principal Balance: | \$7,808,312.73 |
| Deferred/Accrued Interest: | \$39,366.91 |
| Interest Paid Year to Date: | \$476,114.04 |
| Principal Paid Year to Date: | \$112,210.08 |

Monthly Amount Due - Next Due Date on Last Invoice: 1/1/2016

| | |
|---------------------|-------------|
| Principal Due: | \$9,660.10 |
| Interest Due: | \$39,366.91 |
| Escrow Due: | \$0.00 |
| Fees Due: | \$590.00 |
| Less Subsidies: | \$49,617.01 |
| Total Borrower Due: | \$0.00 |

Total Payments Received (Borrower and Subsidy) in 12/2015

| | |
|--------------------|-------------|
| Principal Paid: | \$9,611.64 |
| Interest Paid: | \$39,415.37 |
| Escrows Paid: | \$0.00 |
| Fees Paid: | \$590.00 |
| Late Charges Paid: | \$0.00 |
| Other Paid: | \$0.00 |
| Total Paid: | \$49,617.01 |

The amounts presented herein are for informational purposes only. The balances reflected herein are as of the close of business on 12/31/2015. The amounts presented herein do not represent payoff values and are not intended to be and should not be considered a decision of or approved by MassHousing of payoff values. Please contact the Loan Servicing Department for payoff information.

Loan Summary

Development Name: [REDACTED]
Project ID: 74-067

Bill to Contact: [REDACTED]
CENTRE STREET
BROOKLINE, MA 02446

Borrower Name: [REDACTED] HOUSING

Loan Number: 74-067-04

Loan Status: ACTIVE
Loan Closing Date: 12/01/1998
Paid to Date: 12/01/2015
Next Due Date: 02/01/2016
Maturity Date: 11/01/2038
Interest Rate: 6.400000%

Loan Balance Information as of 12/31/2015

| | |
|------------------------------|----------------|
| Original Principal Balance: | \$6,514,571.00 |
| Current Principal Balance: | \$5,428,335.42 |
| Deferred/Accrued Interest: | \$28,951.12 |
| Interest Paid Year to Date: | \$350,954.80 |
| Principal Paid Year to Date: | \$101,167.52 |

Monthly Amount Due - Next Due Date on Last Invoice: 1/1/2016

| | |
|---------------------|-------------|
| Principal Due: | \$8,725.74 |
| Interest Due: | \$28,951.12 |
| Escrow Due: | \$40,900.00 |
| Fees Due: | \$0.00 |
| Less Subsidies: | \$78,576.86 |
| Total Borrower Due: | \$0.00 |

Total Payments Received (Borrower and Subsidy) in 12/2015

| | |
|--------------------|-------------|
| Principal Paid: | \$8,679.45 |
| Interest Paid: | \$28,997.41 |
| Escrows Paid: | \$40,900.00 |
| Fees Paid: | \$0.00 |
| Late Charges Paid: | \$0.00 |
| Other Paid: | \$0.00 |
| Total Paid: | \$78,576.86 |

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Escrow Summary

Development Name: [REDACTED]
Project ID: 74-067
Bill to Contact: [REDACTED]
CENTRE STREET
BROOKLINE, MA 02446
Borrower Name: [REDACTED] HOUSING

| Escrow Name: | Tax | Insurance |
|--------------------------|----------------|---------------|
| Beginning Year Balance: | \$59,566.00 | \$13,299.85 |
| Amount Paid In (YTD): | \$198,000.00 | \$52,800.00 |
| Interest Earned (YTD): | \$82.24 | \$77.42 |
| Amounts Disbursed (YTD): | (\$204,495.66) | (\$49,945.68) |
| Ending Balance | \$53,152.58 | \$16,231.59 |

| Escrow Name: | Replacement Reserve | Other |
|--------------------------|---------------------|--------|
| Beginning Year Balance: | \$200,702.20 | \$0.00 |
| Amount Paid In (YTD): | \$203,828.99 | \$0.00 |
| Interest Earned (YTD): | \$363.04 | \$0.00 |
| Amounts Disbursed (YTD): | (\$192,114.58) | \$0.00 |
| Ending Balance | \$212,779.65 | \$0.00 |

Monthly Escrow Payment Amounts

| | |
|-----------------------|-------------|
| Tax: | \$16,500.00 |
| Insurance: | \$4,400.00 |
| Replacement Reserves: | \$20,000.00 |
| Other: | \$0.00 |
| Total: | \$40,900.00 |

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