

2014 Entry Form
(Complete one for each entry.)

Fill out the entry name <i>exactly</i> as you want listed in the program.

Entry Name SONYMA Express®: Streamlining HFA Single Family Mortgage Loan Originations with the Next Generation of Automated Underwriting

HFA New York State Homes and Community Renewal

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Qualified Entries must be received by **Tuesday, July 1, 2014**.

For more information about Qualified Entries, [click here to access the 2014 Entry Rules](#).

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

HFA New York State Homes and Community Renewal

Entry Name SONYMA Express®: Streamlining HFA Single Family Mortgage Loan Originations with the Next Generation of Automated Underwriting

Communications	Homeownership	Rental Housing	Special Needs Housing
<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"/> 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
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input checked="" type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

**NCSHA 2014 Annual Award Submission –
Management Innovation: Technology**

**SONYMA Express®: Streamlining
HFA Single Family Mortgage Loan
Originations with the Next Generation
of Automated Underwriting**

Submitted by

**New York State Homes and
Community Renewal**





What is SONYMA Express®?

SONYMA Express® is an automated underwriting system built specifically to enhance the HFA single family originations business model. The system is integrated with third party service providers to import TRVs and credit reports, enabling it to complete a comprehensive credit underwrite and IRS compliance evaluation. Further, the system pre-populates the SONYMA required compliance documentation using data input either manually or through an upload of the loan application (1003) from the lender's loan operating system. Loan originators can now pre-approve their clients, confirm their product eligibility and print pre-populated compliance forms within a few moments of taking the 1003.

SONYMA Express® also interfaces with the mortgage and pool insurance underwriters, making the application process seamless for lenders and avoiding the necessity of a separate submission to SONYMA for compliance underwriting purposes. To further enhance the loan submission process, the system interfaces with BlitzDocs, transforming SONYMA delivery into a paperless endeavor other than the critical mortgage closing documents (Note, Mortgage, and Assignment of Mortgage). This is more consistent with the delivery model most private mortgage lenders are using, and makes origination of SONYMA loans less burdensome on their operations and post-closing staff. Interfaces were also built to retrieve census tract data and to communicate with SONYMA's back office mortgage operations and document imaging systems.

SONYMA Express® is also a powerful communication tool, auto-generating e-mails to communicate with lender partners and other stakeholders in the transaction when there are status changes as the loan moves through the process. This includes notifications when the loan has been underwritten and the approval or suspense conditions have been posted, when a loan has been approved with all conditions satisfied, and when a loan is approved for purchase. Further, reminder emails are sent 15 days prior the expiration date of the mortgage insurance and commitment expiration dates.

An Innovative Approach

This system is the first automated underwriting system with all the essential functionality necessary to meet the specific needs of state HFAs with single family mortgage origination divisions. It has been developed over the course of several years by SONYMA with Overture Technologies, Inc., a software provider that specializes in automated mortgage underwriting products, and with ongoing input from several key lending partners. It is an innovative approach to streamlining our loan submission requirements, while aligning our unique business requirements to correspond with what private lenders are already familiar with in their standard secondary market transactions.

A Resource that could be replicated by other State HFAs

Any HFAs continuing to review loans using IRS regulations, whether funded from bonds or through the TBA market, would benefit from this system. It analyzes tax return information and sends back findings when the applicant's name, social security number, number of dependents, and sources of income do not match information submitted on the loan application. It also checks for deductions taken for mortgage interest, real estate taxes, business use of the property, and unreimbursed expenses. The income calculator is an especially useful tool for determining compliance income. As such, this system is valuable in evaluating a borrower'(s)'



compliance with IRS regulations without a separate compliance underwriting review. The credit underwriting component could be customized to reflect the specific credit guidelines of each state HFA with some re-programming. Findings can be tailored to cover any additional areas of concern, including income not listed on the 1003, or property eligibility requirements, for example.

Using SONYMA Express® to achieve strategic goals

The decision to develop SONYMA Express® was made after SONYMA determined that it needed to improve the efficiency of its loan process in order to stay relevant in today's competitive environment. Before doing so, the Agency conducted a formal survey of its strategic partners to solicit feedback. The results were overwhelmingly in favor of pursuing such a system. Throughout the entire development process, SONYMA continued to seek guidance and feedback from its partners. It created a committee from members of the SONYMA Advisory Council (a coalition of lender partners, realtors, mortgage insurers, homeownership counseling agencies, consultants and SONYMA staff that meets bi-annually to discuss challenges originating SONYMA loans, and develop initiatives to improve and enhance the SONYMA process) specifically for this purpose.

Council members expressed that the challenges they face in the new mortgage environment require maximization of operational efficiency. The process of submitting paper loan files in a primarily paperless environment has been a challenge. Additionally, the delay in obtaining manual underwriting approval hampers originators competing against lenders putting borrowers into agency programs with point of sale approval through automated underwriting systems. Finally, the process of having to submit a loan for credit underwriting, with a separate submission to SONYMA for IRS compliance was a drain on already strained operational resources, and caused delays that made originators and realtors reluctant to engage in a transaction using a SONYMA loan.

SONYMA Express® was designed to address all of those concerns and more. The automated underwriting component provides point of sale approval and eligibility confirmation for originators, enabling them to remain competitive and avoid delays in issuing borrower pre-approvals. The interface with BlitzDocs allows for paperless loan submission in one place, mimicking the operations workflows many lender offices are now using. The compliance income calculation, paired with detailed custom underwriting findings, eliminates the need for a pre-purchase compliance underwrite.

Immediate Measurable Results

SONYMA Express® was launched on a pilot basis with its two largest producing lenders in late April 2014. Through June 26th, the lenders have uploaded 79 loans and the results thus far are extremely encouraging. Since the official launch, the pilot lenders' turn times from application to SONYMA commitment have dropped dramatically. The average processing time has been reduced by 72% for one lender and almost 200% for the other lender. As lender familiarity with the system grows, it is expected that these numbers may improve even further.

From a market perspective, loan originators focusing on the SONYMA buyer can confidently inform realtors that their loans can clear and close along the same timelines (or faster!) as conventional or other government insured loans. Additionally, buyers can have an added level of confidence that they will not face a decision reversal 30 to 40 days in to the mortgage



process because a Lender using SONYMA Express® will have an immediate credit and compliance decision upon submission of the borrower's loan data.

Cost/Benefit Analysis

The initial cost of development and implementation of the SONYMA Express® system has not been inexpensive, however, over time it is expected that the initial start-up costs will pay for themselves through additional business, improved lender relationships, and positive market perception. Lenders currently enrolled in the program are already seeing greater efficiencies of time within their processing departments, and are more willing to promote the use of the SONYMA program as a result. Originators are pleased with the ease of use of the system and are the most enthusiastic about the system's ability to pre-populate all of the SONYMA compliance documentation. The system is already saving them considerable time on the front end, and with faster "clear to close" times as well, they are more likely to recommend the SONYMA program to others.

There is also built-in flexibility, as the ongoing maintenance agreement with the developer permits regular system enhancements and changes to update as needed for modified underwriting guidelines or compliance criteria, the addition of new programs or initiatives, and updates to interfaces as technology or vendors change.

If you would like to see a demo and explanation of the system, the link below is a recording of a web-based class we offered to our lenders to introduce them to the system:

<https://genworth.webex.com/genworth/lsr.php?RCID=5cab62a08514470a8f0ec1d5824c2f02>



New York State Homes & Community Renewal: SONYMA Express®: Streamlining HFA Single Family Mortgage Loan Originations with the Next Generation of Automated Underwriting

Screen Shot 1

This is the pipeline management page. Each lender sees this dashboard listing their pipeline upon logging into SONYMA Express. Views can be limited by company administrators so that each Loan Officers only see their own production, and branch managers can see their branch, etc.

Find Case:

(Build number: 7.0.0.187, Content number: 1, Build date: 2014/06/25 11:24 SVN: 14308)

Welcome George [Genworth Homebuyer Education](#) [Lender Online](#)

> Home

Global

- Pipeline View
- New Application
- Upload Application
- Reassign Case
- Preferences
- Administration
- Logout

Search Field Operand Value Status Filter Responsible Employee Lender

From (mm/dd/yyyy) To (mm/dd/yyyy)

Display Options View Exported Cases Hide Inactive Cases Cases per page: 40

Cases

82 items found, displaying 1 to 40 [First] [Prev] 1, 2, 3 [Next] [Last]

Case #	SONYMA Loan #	Lender Name	Lender Loan #	Applicant	Reservation Date	Commitment Expiration Date	Extension Flag	Pool Commitment Expiration Date	Status
01001118	720-952-743571	M & T Bank - Albany	15485584	Palak, Sandesh	05/29/2014	05/28/2014			Registered
01001107	705-952-743570	M & T Bank - Albany	15483514	Collins, Joanne	05/29/2014	09/05/2014			Registered
01001106	705-463-743597	Continental Home Loans	97-140536616	GILBERT, LISA	05/29/2014	09/05/2014		12/17/2014	Insurer Decision
01001105	710-952-743573	M & T Bank - Albany	15483597	Ross, Sebastian	05/29/2014	09/05/2014			Registered
01001104	715-463-743563	Continental Home Loans		ERIKSEN, SEAN	05/28/2014	09/04/2014			Registered
01001103	720-463-743562	Continental Home Loans	41-140536630	MAHONEY, MARK	05/28/2014	09/04/2014			Registered
01001101	715-952-743561	M & T Bank - Buffalo	15483142	Thon, Emily	05/27/2014	09/03/2014			Submitted To Insurer
01001100	700-952-743560	M & T Bank - Albany	15482482	Cook, Chad	05/27/2014	09/03/2014			Submitted To Insurer
01001099	705-463-743558	Continental Home Loans	50-140536532	SPOJARIK, MARK	05/23/2014	08/30/2014			Submitted To Insurer
01001098	705-952-743557	M & T Bank - Buffalo	15481625	Johnson, Yolanda	05/23/2014	08/30/2014			Insurer Decision
01001097	705-952-743553	M & T Bank - Albany	15481740	Artaya, Dianne	05/22/2014	08/29/2014			Registered



Screen Shot 2

Lenders can upload their 1003 into the system, and then update fields not populated (i.e. the Non-borrower household members (18+) shown on this screen shot) to obtain accurate IRS compliance and point of sale credit underwriting approval.

Loan Information Help

Loan Information

Subject Loan Information

* Loan Purpose: Purchase
Lien Position Type: First
* Mortgage Type: Conventional
Loan Amount: 71,000.00
Application Date: 05/07/2014
Lender Loan Number: 15470667
Is Guarantor being used?:
This application was taken by: Face-to-Face

Household Members (for IRS Compliance use Only)

Non-Borrower Household Members (18+): [Add](#)

Subsidy Financing

Subsidy Loan Amount, excluding DPAL: 8,000.00
Total Monthly Subsidy Payment Amount: 0.00
DPAL Applied to Down Payment:
DPAL Applied to Closing Costs:
DPAL Applied to Single Premium MI:
[Add](#)

Subsidy Information

Source:	Federal Home Loan Bank	Type:	Soft-second Mortgage with Recapture	Use Type:	Down Payment Assistance	Amount:	1,400.00	
Source:	Federal Home Loan Bank	Type:	Soft-second Mortgage with Recapture	Use Type:	Closing Cost Assistance	Amount:	6,600.00	

Closing Costs

Estimated Total Closing Costs: 4,548.82
Seller Paid Closing Costs: 2,247.00
Estimated Prepaid Items : 4,324.06

Proposed Monthly Housing Expenses

Monthly Hazard Insurance: 35.00
HOA/Condo/Coop Maintenance Fees: 35.00
Real Estate Tax: 295.33
Monthly Flood Insurance:
Mortgage Insurance Premium Type (PMI will only be applied if LTV > 80): Monthly

Loan Purchase Credits

* Type: Other * Source: Borrower Paid Outside Clos * Amount: 1,370.00

Contact Information

Loan Officer: Contact Person: Nadine Faison

[Save](#) [Property >>](#)



Screen Shot 3

The property screen collects all the data necessary to determine whether the property is eligible under SONYMA guidelines and that it complies with IRS regulations.

Property

Property Information

* Occupancy: Primary Residence
* Sales Price: 435,000.00
Sales Contract Date: 04/16/2014
Property Rights: Fee Simple
Community Land Trust:
Check Box If Land Acquired Separately:
Land Cost:
Year Property Acquired:
Balance of Any Land Liens:
Cost of Construction:
Names in Which Title will be Held: Borrower and other
Check box if property is inheritance transaction:

Property Location

Address (use "Apt" for apartment and "Ste" for suite): 57 8TH STREET
Address 2:
City, * State, Zip: CARLE PLACE NY 11514
County: Nassau
Property Location: Suburban
Census Tract: 3038.00
Block Group: 4
Target:
Target Area #:

Property Description

* Property Type: Detached
Project Name: Existing
* # of Units Financed: 1 Family
Zoning: Legal
Construction Status: Existing
Year Structure Built: 1947
Conversion Type (for Rehabs only):
Estimated Completion Date:
Renovation Amount (for RNY or OIF only):
Own it, Fix it New York Repair Escrow?:
Coop Flip Tax Amount: 0.00
Coop Underlying Mtg Pro Rata:

Property Appraisal Data

* Appraised Value: 435,000.00
Date of Appraisal: 04/30/2014
Tax Assessor ID (Section, Block and Lot): Section 10, Block 264, Lot 9
Appraised Land Value: 240,000.00
Square Footage (living space): 1,110.00
Lot Size: 5 Acres or Less
Appraisal subject to repairs/alterations, inspection or completion per plans and specifications?: Yes
Does Property contain more kitchens than number of units?: No
Does Property contain an Accessory Apartment or Mother/Daughter Unit?: No
Is Property Being Used for Business or Commercial Purpose?: No
Is Property Being Converted from a Non-Residential Use?: No
If Property Contains Any Outbuildings, Barns or Other Structures, does Appraiser Adequately Describe Current Usage and Interior of Such Structures?: N/A
Are Interior and Exterior photographs of outbuildings provided?: N/A

<= Loan Save Borrowers =>



Screen Shot 4

This is the Compliance Income Calculator. It is one of the strongest tools and best features of the SONYMA Express® that provides an accurate calculation of compliance income.

Compliance Income Calculation Help

SONYMA Compliance Income Calculation	
Basic Calculation	
Income Type	--Select--
YTD Gross Pay	14092.38
YTD as of Date (Paycheck Issue Date)	05/24/2014
Current Pay Start Date (Enter only if employment starts after Jan. 1)	01/01/2014
Pay Frequency	Weekly
# of Pay Periods YTD	21
Base Pay Amount (Per Pay Period)	608.80
Deductions from YTD Gross Pay	
Minus One-Time Retroactive Pay	0.00
Minus One-Time Relocation Pay	0.00
Minus Annual Bonus/Other Income Received	955.74
Minus Non-Continuing Overtime Income*	0.00
Minus YTD Seasonal Overtime**	0.00
Minus Other Non-Continuing Income	0.00
Minus Employer Reimbursement	0.00
Minus One-Time Sign On Bonus	0.00
Adjusted YTD Gross Income Amount	13136.64
Annualized Adjusted Income	32528.82
Adjustments to YTD Gross Pay	
Plus Annual Bonus/Other Income/YTD Seasonal Overtime	955.74
Total Annual Compliance Income	33484.56
Annual Base Pay	31657.60
Higher of Annual Compliance Income or Base Pay	33484.56
Part-Time/Second Job Income	<input checked="" type="checkbox"/>
YTD Gross Pay	3109.07
Minus One-Time Retroactive Pay	0.00
Minus One-Time Relocation Pay	0.00
Minus Annual Bonus/Other Income Received	0.00
Minus Non-Continuing Overtime Income*	0.00
Minus YTD Seasonal Overtime**	0.00
Minus Other Non-Continuing Income	0.00
Minus Employer Reimbursement	0.00
Minus One-Time Sign On Bonus	0.00
Current Pay Start Date (Enter only if employment starts after Jan. 1)	01/01/2014
YTD as of Date	05/02/2014
Pay Frequency	Every 2 Weeks
# of Pay Periods YTD	9
Base Pay Amount (Per Pay Period)	337.00
New Adjusted Income	3109.07
Annualized Adjusted Income	8981.76
Plus Annual Bonus/YTD Seasonal Overtime	0.00
Total Annual Compliance Income	8981.76
Annual Base Pay	8762.00
Higher of Annual Compliance Income or Base Pay	8981.76



Screen Shot 5

This is the Loan Optimizer screen. It allows lenders and insurers to test different scenarios without overwriting the loan application data.

Loan Optimizer

Loan Summary Information			
Name:	Sales Price:	\$ 74,900.00	Program:
FCO:	Property Value:	\$ 75,000.00	Product:
State:	Loan Amount:	\$ 71,000.00	Lien Position:
Recommendation:	LTV:	94.793 %	Loan Term:
Loan Purpose Type:	Subject Prop Rental Income:	\$ 0.00	Interest Rate:
Occupancy Type:	PI:	\$ 333.87	HTI:
Total Income:			DTI:
Total Assets:			
Closing Costs/Fees:			
Cash To Close:			

Liabilities		
	Balance	Monthly Payment
Total Mtgs:	\$ 0.00	\$ 0.00
Total Rev/Install Debts:	\$ 2,351.00	\$ 61.00

Other Debts						
Creditor Name	Balance	Monthly Payment	Category	Status	Borrower Name	Waived Reason
CHASE	1,451.00	25.00	Revolving	Active	First Payment	
CHASE	889.00	25.00	Revolving	Active	First Payment	
DISCOVER FIN	11.00	11.00	Revolving	Active	First Payment	

Validate
Save Scenario
Print



Screen Shots 6 and 7

Below is an excerpt of the income section of SONYMA’s Mortgagor’s Affidavit and a snapshot of a portion of the Income Calculator. As you can see, the system populates the forms by inserting data from the system in the appropriate locations.

<u>A. Sources of Current Monthly Income</u>	<u>At Loan Application</u>	<u>At Loan Closing</u>
1. Gross Pay	\$ 0.00	\$
2. Overtime, Part-time Pay and Temporary Employment	\$ 0.00	\$
3. Bonuses, Commissions, and Tips	\$ 0.00	\$
4. Dividends, Interest, Royalties & Trusts	\$ 0.00	\$
5. Business Activities or Investments	\$ 0.00	\$
6. Net Rental Income	\$ 0.00	\$
7. Pension/Social Security Benefits	\$ 6,143.38	\$
8. Veterans Administration Benefits	\$ 0.00	\$
9. Unemployment Compensation	\$ 0.00	\$
10. Sick Pay	\$ 0.00	\$
11. Public Assistance/Section 8 HAP	\$ 0.00	\$
12. Alimony, Child Support or Separate Maintenance Income	\$ 0.00	\$
13. Any Other Income	\$ 0.00	\$
14. Total Monthly Gross Income	\$ 6,143.38	\$ 0.00
Multiply by 12	x12	x12
B. Total Annualized Gross Income	\$ 73,720.56	\$ 0.00

Other Monthly Income	
Social Security (Do NOT Gross Up)	1695.90
Pension/IRA	4447.48
Disability (Do NOT Gross Up)	0.00
Alimony/Child Support Received (Do NOT Gross Up)	0.00
VA Benefits	0.00
Rental Income (Do Not Include Proposed Rental Income if Purchasing a 2- to 4-family home)	0.00
Clothing Allowance	0.00
Public Assistance/Section 8	0.00
Military Housing/Food Allowance	0.00
Car Allowance	0.00
Unemployment Income	0.00
Subtotal Other Income Annualized	73720.56