

2014 Entry Form
(Complete one for each entry.)

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

Entry Name _____

HFA _____

Submission Contact _____

Phone _____ **Email** _____

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 _____

Entry Name _____

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 type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

North Carolina Housing Finance Agency (NCHFA) NCHFA's Asset Management System

Two powerful online tools—built to work together—have transformed a labor-intensive and error-prone process for rental asset management and compliance monitoring into an integrated, one-stop electronic reporting/reviewing system that has saved time and money and boosted productivity for the N.C. Housing Finance Agency and its property management partners.

Challenges to Overcome

Like most HFAs, NCHFA operates several different rental development programs, from the federal Low Income Housing Tax Credits (LIHTC) and HUD's HOME Program to state-funded loan and rent assistance programs that are unique to North Carolina. We monitor properties for compliance with LIHTC and HOME regulations, provide asset management for NCHFA loan portfolio properties, and process monthly payments for rent assistance programs. These activities are coordinated by the Asset Management Team which works with property owners and managers to ensure that federally and state-funded housing is safe and affordable, tenants are eligible for residency based on income and household characteristics. Rules that are intricately detailed, constantly changing, and often confusing are made as simple and straight-forward as possible for the owners and managers. And the work keeps growing. The Asset Management Team is now responsible for more than 2,000 properties with nearly 100,000 rental units scattered throughout the state's 100 counties.

Manual processes caused problems in all three areas.

- Compliance - Compliance monitoring of the LIHTC portfolio consists of reviewing files and conducting physical inspections of the properties. Under the old file review process, property managers mailed copies of tenant files to NCHFA staff, who reviewed them manually and responded by letter. The process was time-consuming, incurred high postage costs and created opportunities for compromising the privacy of tenant personal information.
- Asset Management - Asset management requirements include approving annual utility allowance updates and proposed rent changes, annually reviewing audited financial statements and approving reserve account withdrawal requests. Doing the work manually took time and sometimes resulted in errors or incorrect rates. Approved utility rates were frequently not reported correctly by management companies, rent increases relied on a manual pro-forma that sometimes allowed for non-conforming rent limits, and staff had little time to review important financial statements.
- Rent Assistance - North Carolina's Key Program is a state-appropriated rent assistance program. While payment of Key assistance to property owners has been partially automated for some time, many parts of the process—from calculating the correct assistance payment to reporting—remained manual and labor intensive. As a result, tenant data could be reported incorrectly and the resulting inconsistencies made reconciling the payments to NCHFA's General Ledger system extremely difficult.

There were other problems too. The old data system tracked only tax credit properties, leaving all other properties to be tracked in Excel spreadsheets. Staff turnover and varying levels of Excel knowledge among asset managers led to data integrity and spreadsheet failure issues.

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The Fully Integrated Solution

Enter the Asset Management System. This powerful business system was built by NCHFA's IT Group working closely with program and asset management staff and launched in January 2013. It includes two major components:

1) MISTR Data Asset Management System (AMS) - an internal line-of-business system that facilitates all compliance, monitoring, and rent assistance activities through robust data collection, document management, workflows, scheduling tools, and other cost/time reducing features.

2) Rental Compliance and Reporting System (RCRS) - an external partner portal used by management companies and property owners to securely communicate and transmit all data and documents necessary to establish ongoing compliance and facilitate asset management.

Together, the AMS and RCRS systems provide comprehensive portfolio management across all NCHFA rental development programs – a one-stop shop for all asset management, compliance, and rent assistance activity. The systems work together to form a seamless workflow business process between our internal staff and external partners that automates many of the former manual processes.

Compliance is significantly enhanced by automation of the following:

- A monitoring scheduling feature selects properties using a risk-assessment algorithm that includes historic activity, ensuring that no properties will be missed in the monitoring cycle. This feature reduces a weeks-long manual process to less than a day.
- File review and physical inspection (Uniform Physical Condition Standards (UPCS)) compliance findings are recorded based on preconfigured business rules. Letters to the owner are auto-generated by the system, reviewed by staff and published to RCRS. Property owners then upload their responses to RCRS. Previously, staff manually reviewed for compliance and manually generated paper letters.
- System generated and maintained work lists keep staff organized and promote efficiency.
- Dashboards report and display staff progress for supervisors, allowing them to review staff portfolio progress at any given time.
- Secure document upload and storage within RCRS and AMS efficiently transmits compliance documentation while protecting tenant privacy and conserves paper, postage and staff time.
- Management companies and owners report unit activity directly into the system, which automatically applies business rules, and includes the ability to upload exported unit data from third party vendors, eliminating duplicate data entry.
- Income calculations and auto-generation of tenant income certifications, including easily available and current property-specific income limits, eliminate ambiguity about which income limits apply.

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Asset management is significantly enhanced by automation of the following:

- Utility allowance change requests are entered into RCRS and supporting documentation uploaded by the property manager for review and approval by Agency staff.
- Rent increases are requested by management companies. The system compares the rent levels to the applicable limits. The system also performs analysis functions, such as determining the debt coverage ratio and comparing the budget to audited financial statements for discrepancies.
- Audited financial data is keyed into RCRS, and the statement is uploaded and checked for predefined red flags.
- Built-in workflow lets staff members review the accuracy of data entry and alerts supervisors to issues identified in the auditor's notes. Supervisors can track progress and determine whether staff members have completed the appropriate reviews.

Rent Assistance is significantly enhanced by automation of the following:

- Calculation of Key rental assistance automatically takes into account household composition, household income, and assets.
- Workflow features facilitate staff review of the tenant file documentation that leads to approval for payment before rent assistance can even be requested. This prevents payments from being made to unqualified tenants.
- The back-office system is integrated with NCHFA's Fund Control (grants management software) and the General Ledger, eliminating reconciliation issues.

Transparency and Communication is enhanced by the following:

- Property owners and management companies have access to view property profiles and key compliance status information.
- Regulatory partners such as HUD, RD, and DHHS can be given read-only access to view pertinent information in the system.
- Property owners can grant access to investors and other parties to view their property information.

Conclusion and Benefits Achieved

Do more with less. Agency staff and property management staff now have an easy-to-use and accurate system for complete rental compliance and asset management that greatly improves work processes, accuracy and results. Workflows, dashboards, data tracking, and automated tools allow for a seamless end-to-end process ensuring data integrity along with accurate and full compliance monitoring. We can now regularly provide asset management review and guidance that we could not provide before. Data is reliable and data integrity is preserved. Smaller management companies now have powerful software repository to use that previously was unavailable to them. Most significantly for us, NCHFA now does much more and we do it with fewer staff. More than 25 percent of the compliance staff have recently retired, and because of the efficiencies created, these vacant positions could be eliminated, resulting in significant annual savings. The Asset Management System will allow us to achieve fully compliant monitoring and high quality asset management for all properties for years to come.

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