

# NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

**Deadline: Wednesday, June 15, 2016**

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 [awards@ncsha.org](mailto: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.**

<b>Communications</b>	<b>Homeownership</b>	<b>Legislative Advocacy</b>	<b>Management Innovation</b>
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
<b>Rental Housing</b>	<b>Special Needs Housing</b>	<b>Special Achievement</b>	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			

**Ohio Housing Finance Agency  
In-house Hedging Implementation  
Management Innovation: Financial**

Post the 2008 financial crisis, Housing Finance Agencies (HFAs) had limited ability to issue bonds for the funding of mortgages for low to moderate income homebuyers. The federal government offered support for a few years in order to sustain HFAs; but these funds were expensive and limited forcing HFAs to find alternative ways to fund mortgages. In addition to the lack of availability via the bond market, interest rates fell to all-time lows, adding further pressure on HFAs to remain relevant in the mortgage market.

In the spring of 2013, the Ohio Housing Finance Agency (OHFA) began researching and gaining knowledge on the TBA Market (To Be Announced Market) for mortgage backed securities. With the collapse of the bond market, the TBA Market became a strong liquid market that would allow the flexibility OHFA required for the first time homebuyer program. Due to the complexity of the TBA Market, OHFA determined it best to first out-source this hedging function until staff felt educated and comfortable with the risks associated with the TBA Market.

In the fall of 2014, OHFA determined that it was time to begin performing the hedging function internally. The Office of Mortgage Funding was established and tasked with running the OHFA Market Rate Program. By bringing the TBA hedging function in-house, OHFA was able to save approximately \$1.8 million per year (60 bps on \$300 million in loan production). This savings allowed the Agency to offer a more competitive rate to borrowers and ultimately drive more production. Bringing the hedging function in-house also allowed for additional flexibility in the products the Agency was able to offer. Since tax-exempt funds are not being used to fund the mortgages, OHFA was able to extend our programs to non-first-time homebuyers and also allowed the Agency to offer the MTC (Mortgage Tax Credit Certificate) in conjunction with an OHFA loan. In addition to offering these supplementary product lines, utilizing the TBA market allowed OHFA to increase lender compensation and offer more down payment assistance options to homebuyers.

Utilizing the TBA market has enabled the Agency to mitigate interest rate risk in an uncertain economic market. The Agency is able to secure financing for mortgages and provide continuous lending for low to moderate income homebuyers. The Office of Mortgage Funding is also able to conduct “best execution” analysis in order to determine if issuing bonds or delivering into TBA is best for the Agency.

Since the implementation of in-house hedging the Agency has seen a steady increase in production and is on track for \$400 million of reservations in FY16 (double that of FY2015). The ability to utilize the TBA Market has provided OHFA the flexibility needed to generate and sustain loan production as well as create new products for our every growing customer.