



## Entry Form 2018 Annual Awards for Program Excellence

**Entry Deadline: Friday, June 15, 2018, Midnight ET**

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email [awards@ncsha.org](mailto:awards@ncsha.org).**

**Entry Title:** Enter your entry's title exactly as you wish it to be published on the NCSHA website and in the awards program.

---

---

**Category:**

---

**Subcategory:**

---

**Entry Summary:** A 15-word (max) summary of the program, project, or practice you are entering.

---

---

---

---

---

---

**HFA:**

---

**HFA Staff Contact:**

---

**Phone:**

---

**Email:**

---

### Visual Aids:

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF?      Yes      No

### Payment:

My HFA is mailing a check to NCSHA.

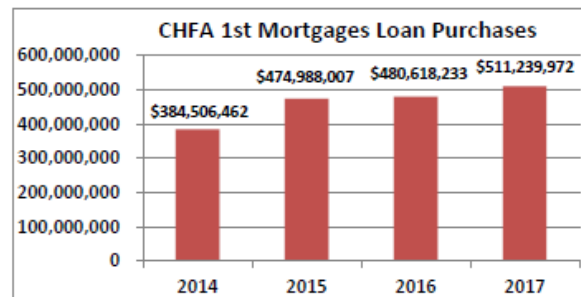
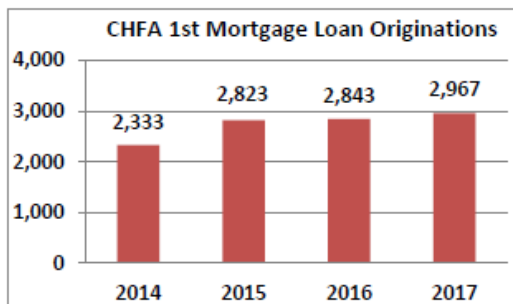
My HFA is emailing the credit card authorization form to [awards@ncsha.org](mailto:awards@ncsha.org).

### Respond to Need for Improved Origination Proficiency

The Connecticut Housing Finance Authority (CHFA) Single-Family Homeownership Program partners with over 85 financial institutions that include retail and commercial banks; savings and loan associations; mortgage companies, brokers and credit unions (*collectively referred to as “CHFA-Approved Lenders”*), to provide first and second mortgage loan financing for eligible applicants.

CHFA mortgage loan products feature below-market loan rates and programs designed to increase affordability for low-to-moderate income first-time homebuyers in the state. The Approved-Lender network originates; processes and underwrites CHFA loans and submits files to CHFA for Mortgage Revenue Bond compliance and underwriting review to receive CHFA approval and Commitment to Purchase. Lender files must be complete, including all documentation required to verify tax bond eligibility and compliance with CHFA loan product criteria, insurer and investor underwriting guidelines.

CHFA has been experiencing an increase in loan activity since 2014, underwriting an average of 2,740 loans each year. In fact, in 2017, CHFA staff underwrote a total of 2,967 first mortgage loans for \$511,239,972, and a total of 1,486-second mortgage down payment assistance (DAP) loans for \$16,600,497 for homebuyers in Connecticut.



As loan volume increased, CHFA Single Family staff began to voice concerns about the declining quality of the loan files they were receiving for review. Loan files were being submitted with missing, incomplete and sometimes incorrect documentation. Lenders were originating loans for applicants in CHFA programs or products they were not eligible for, often because they arbitrarily selected loan types at reservation that were inconsistent with the product they were intending for the borrower. Some lenders were completely ignoring the required file submission checklist when packaging the files for review, and were submitting files that were completely out of order and in disarray.

This was having a significant negative impact on the CHFA workflow process as the amount of time required to organize files to complete review nearly doubled; the impact on the department customer service, turn-time and staff morale was problematic. Lender partners (and real estate agents) complaints increased as they also voiced concern over offering CHFA loan products to their customers when the CHFA file review process was taking too long to receive approvals. This perception was reinforced every time CHFA staff had to suspend a loan for a document deficiency or a missing item needed for commitment.

CHFA attributed the decline in file integrity to lender confusion about CHFA product eligibility criteria; applicable underwriting guidelines for the programs and the loan file submission requirements. Even high volume lenders realized there was a problem and asked CHFA for more training.

Initially, staff tried to address these issues in the current lender training programs. When this approach did not have the desired result, CHFA concluded the existing lender training program needed to be replaced with a more rigorous approach that would educate lenders on how to improve their proficiency with loan file submissions.

Keying in on the idea of education, CHFA created **The Connecticut Housing Finance Authority University Lender Training Conference (aka “CHFA U”)**, designed to provide lenders with an enhanced education on the CHFA loan financing process, emphasizing loan file submissions for approval. The event was structured to emulate an academic environment to raise participant expectations for “higher-learning” and to allow a more “hands-on” approach versus instruction only.

### **Achieve Measurable Improvements in File Submissions**

CHFA U was an all-day event and attendees were limited to lender operations staff, which included loan processors, underwriters and closers. Thirty-five percent of lenders were represented at the conference with 83 people in attendance. Participants came from lenders with varying expertise in offering CHFA loan programs. More than 70% of the top producing originators sent representatives to the event. It is important to note that training the higher volume lenders to submit accurate loan files was critical to achieving an immediate improvement in file quality.

The conference featured guest speakers from Fannie Mae, Freddie Mac, Idaho Housing and Finance Association (CHFA’s Master Loan Servicer), Genworth Mortgage Insurance Company and CHFA senior management.

The program curriculum included four courses titled:

- Calculating CHFA DAP and How to Use the CHFA LOS and Website
- Calculating Income and Assembling Files for Submission,
- Underwriting CHFA Homebuyer Mortgage Programs, and
- E-File Submissions/Closing Loans and Delivering Loans to Servicers

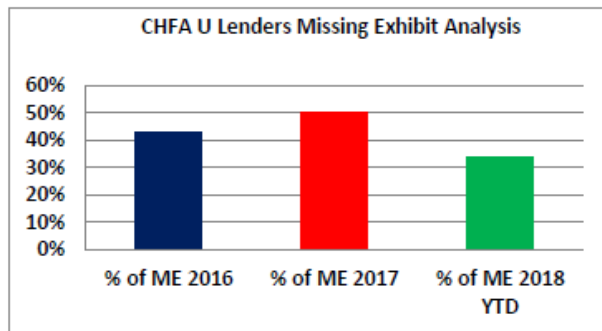
Attendees were assigned a course schedule by track and were required to change classes throughout the day to complete the scheduled curriculum. Changing classes and instructors had a positive impact on the attention levels of the participants and influenced their impression of the overall event.

Resource materials provided to the attendees in training packages were all created by CHFA and included highlighted mark-ups of the types of documentation required; samples of forms with completed examples; workbooks for hands-on instruction and “Success Tips” for easy reference after the conference.

*Note: Sample packets were included with in the submission.*

All classes were taught by CHFA Underwriters. Each session ended with a segment dedicated to “Questions and Answers” and an open discussion about the course content. The excitement generated throughout the event far exceeded the expectations. The energy and enthusiasm of the participants increased at the end of each session and they were thoroughly engaged from beginning to end. Participants received “Certificates of Completion” acknowledging their achievement.

Early results indicate significant improvement. Since attending CHFA U, some lenders have shown as much as a 45% reduction in the number of “Missing Exhibits (MEs) - Reason Codes” issued for suspended files. CHFA staff is reporting an overall improvement in the quality of files they are now receiving for review.



The success of the conference was also confirmed in the evaluations completed by 86.75% of the participants additionally, 100% of the respondents answered “YES” to question, “Should this conference be offered again.”

### Innovative and Replicable

There has been a lot of “buzz” about the benefits of attending CHFA U among the first participants and members in our lending community are starting to chime in. We have received numerous requests from lender management for a repeat conference for their staffs and other industry professionals are expressing an interest in attending as well. Due to the overwhelming response, in 2018, CHFA Single Family will host three events, CHFA U for Realtors, CHFA U for Loan Officers and a second annual CHFA U for Processors, Underwriters and Closers.

The CHFA U model would be simple replicate for other HFAs. The first step is to analyze loan submissions to identify the areas with the greatest number of errors, then designing a class curriculum that focuses on each. CHFA’s first program was limited to lenders operations staff, but depending on where the “pain points” are, it may be worth it to focus on one segment of operations staff at a time. The individual materials can be created by pulling items from existing training programs, but when customized and packaged for an all-day conference, they become an impressive training packet. As mentioned, CHFA is **already** replicating the event for real estate agents and loan officers, so the model can be tailored to work with any audience that needs more attention.