



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.**

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

Lender Document Sets

Category: Management Innovation

Subcategory: Technology

Entry Summary: A 15-word (max) summary of the program, project, or practice you are entering.
Automatically populating document sets streamline loan processing and reduce errors
for lenders offering Authority programs.

HFA: Illinois Housing Development Authority

HFA Staff Contact: Andrew Field

Phone: 312-836-5335

Email: afield@ihda.org

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.

Background

The Illinois Housing Development Authority's (IHDA) Homeownership Department works with over 165 lenders statewide to provide down payment assistance and low-cost mortgages that make the difference in their customer's ability to afford a new home. As IHDA is currently unable to offer direct origination to borrowers, this network of participating lending partners is the Authority's first line of salespeople and marketers, and they are crucial to the success of our programs.

Although the processing for IHDA loans can be completed in the same timeframe as a traditional mortgage, lenders consider the additional paperwork - although minimal - to be onerous. For non-Housing Finance Agency (HFA) loans, a lender would automatically pull documents from their Loan Origination Software (LOS), pre-populated. However, as many HFAs do not use a LOS with these capabilities, it creates challenges for the lenders and can seem like additional work, as they are required to enter each field manually in the documents.

Each individual IHDA form has 120 points of entry and, therefore, many possibilities for errors. For example, during file reviews, IHDA Homeownership staff regularly found typos throughout (a borrower's name spelled differently in different locations, etc.). In addition, loan amounts were often miscalculated or mistyped. The errors, or possibilities for errors, became problematic for the reviewers and lenders alike and often led to time consuming communication back and forth as mistakes were corrected. This delayed delivery time and decreased interest among lenders in offering IHDA programs.

Innovation

To combat these challenges, IHDA introduced a new Document Set in February 2018 that improves the way lenders enter information. A program Document Set includes every required document specific to an IHDA program in one PDF (i.e. a Second Mortgage, a Second Mortgage Note, a Buyer and Seller Affidavit, etc.). Each Document Set for utilizes a summary sheet (Submission Cover) to allow internal compliance officers to see a snapshot of the file and client, and many of the data points required on the summary are repeated throughout the set (i.e. borrower name, property address, etc.). When it came time to find a streamlined process, this was the best place to start. In addition, IHDA's Homeownership Department had been paperless and utilizing Adobe fillable forms for over two years, which allowed for a unique opportunity. Using Adobe fillable forms to simplify the Document Set, the Submission Cover became the only data entry point needed.

Each individual fillable field in the Submission Cover has a unique naming convention in the "properties" of that field. That field is then copied to each relevant location in every single document in the Document Set. For example, the Submission Cover will request that the lender enter "Borrower Name" and in the "properties" for that field, the naming convention will be "BorrowerName." That field will be copied to every document where the "Borrower Name" is requested, thereby allowing every entry of the "Borrower Name" to read identically. Should that field need editing, the lender can do so in any field labeled "Borrower Name," and it will update throughout the entire Document Set. This same practice continues for each repetitive field. Please see Figures 1, 2, and 3 for samples.

To address the miscalculation/mistyping of loan amounts, IHDA instituted automatic calculations throughout the Document Set. By selecting the program type on the Submission Cover and entering the

final sale price, every location in the entire Document Set in which the second loan amount needs to be entered is automatically calculated and entered.

Lastly, as a final attempt to reduce errors and provide guidance, IHDA added pop-up reminders throughout each Document Set. For example, if the lender selects IHDA's 1st Home Illinois program, they will be reminded that the program is only available in ten select counties. If there are multiple residents in the household, another box will remind the lender whose income will need to be included in the income calculation. These helpful messages and reminders are added throughout each Document Set to help the lenders understand exactly what IHDA staff is looking for and answer the most common questions.

Results

The response from IHDA's lending partners has been overwhelmingly positive. Our Account Managers have heard testimonials from the loan officers ranging from "we love it" to "we feel that it is a huge time saver" and "this is a huge improvement."

In addition, first looks on files have increased drastically, indicating that files are submitted to IHDA with no errors on the first submission at a much higher rate since implementation of the Document Sets. The percentage of files approved on first look are:

First Look Approval Rate	
January 2018	16%
February 2018*	23%
March 2018	23%
April 2018	28%
May 2018	40%

**Doc Sets are introduced*

The time saved by this is substantial as it means our staff does not have to send out conditions to the lenders and wait for their reply, and the lender does not have to go back to the borrower for corrections. It reduces instances in which a lender would have to re-record a mortgage or a note because of incorrect information, and the file can be immediately queued for purchase. Our time from reservation/lock to purchase has in turn dropped from an average of 63 days in 2017 to 57 days in 1Q 2018 and 52 days so far in 2Q 2018.

We have also determined that the amount of time saved by our lending partners amounts to at least 10 minutes per file. If a lender averages 100 files a year, it would save them roughly 42 hours, or approximately one full workweek. Overall, we have eliminated countless touchpoints, emails, and printed pages, as well as lender frustration, potential negative borrower interactions, and possible hits to lender SRP.

Replicability

IHDA believes this method will greatly benefit other HFAs across the country. Any HFA that works with lending partners but is unable to utilize a Loan Origination Software for auto-producing documents will find this especially helpful. We also believe that it can prove to be helpful in many other instances, as other departments outside Homeownership have shown. Utilizing this method can improve efficiency and accuracy in grant applications, multifamily deals, property inspection forms, and more. Staff with a very

basic knowledge of creating forms in PDF, a common practice, will be able to replicate the field completion. While the auto calculation may be more advanced, IHDA staff was self-taught through online video and written tutorials.

Conclusion

The first mortgage and down payment assistance programs IHDA provides are a great benefit to the borrowers of Illinois. Offering these programs should not be an administrative burden to our lending partners and we are happy to offer solutions to prevent that. These document adjustments have already generated significant benefits for lending partners and IHDA staff alike. We look forward to determining additional improvements to these as time passes to continue to make our experience user friendly for our lending partners.

Figure 1 Sample Submission Cover Entry

ILLINOIS HOUSING DEVELOPMENT AUTHORITY SUBMISSION COVER AND FINAL DATA SUMMARY			
Borrower Full Name.....	John Smith	Borrower SSN.....	555-55-5555 IHDA 1st Loan # 3102548
Coborrower Full Name.....	Jane Smith	Coborrower SSN.....	444-44-4444 IHDA 2nd Loan # 3102549
Borrower Email.....	johnsmith@email.com		
Lender Name.....	Lending Partner		
Lender NMLS.....	45642154		
Loan Officer Name.....	Janet Doe		
Loan Officer NMLS.....	41254122		
Lender Email.....	lender@lendingpartner.com		
LOAN DATA IHDA Program..... Access Forgivable Loan Type..... CONV Final Sale Price..... \$ 125,000 Final 1 st Loan Amt..... \$ 118,000 Final 2 nd Loan Amt..... \$ 5,000			
IMPORTANT: This form will calculate DPA amount and autofill many fields in the document set for you. However, you still need to manually enter dates, notary information, vesting, and other data specific to the individual document.			
Subject Property and Contract Data			
Property Street Address.....	1234 Main Street	Property City.....	Maintown
Property County.....	Cook	Property ZIP.....	61502
Entity Name.....	Steven Seller	Additional Seller Name.....	
Entity Representative.....		Entity Rep Title.....	
Final Sale Price.....	\$ 125,000	Number of Units.....	1 Unit
Appraised Value.....			\$ 130,000
Targeted Area?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	New Construction?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Property PIN.....			

Figure 2 Sample Seller Affidavit Completion

PROPERTY SELLER AFFIDAVIT	
The undersigned hereinafter collectively referred to as the "Property Seller," after first being duly sworn, states as follows:	
1. Property Seller is selling to:	
Name of Borrower:	John Smith
Name of Co-Borrower:	Jane Smith
(the "Purchaser(s)"),	
The residence located at	
Street Address:	1234 Main Street
City:	Maintown
Zip Code:	61502
County:	Cook
State:	ILLINOIS

Figure 3 Sample Note Completion (with auto calculation of loan/assistance amount)

FORGIVABLE MORTGAGE NOTE		
Illinois Housing Development Authority		
IHDA 2 nd Loan number: 3102549		
John Smith	05/18/2018	
Borrower Name	Closing Date	
Jane Smith	Maintown, IL	
Co-Borrower(s) Name(s)	Closing City, State	
1234 Main Street		
Property Address		
Maintown	Illinois	61502
Property City	Property State	ZIP
1. BORROWER'S PROMISE TO PAY		
In return for a loan that I have received, I promise to pay U.S. \$ 5,000 .00		
(this amount will be called "principal"), to the order of the Lender. This Lender is Illinois Housing		