

Leading the Future of Home

NCSHA Annual Conference

Expanding HFA-Mortgage Lender Partnerships Through H-FAST

Erin Quinn

September 2021

ALL FOR HOME

Freddie Mac
Single-Family

Challenges



Core Challenge

One of the most cited issues related to first-time homebuyer mortgage readiness is the lack of down payment funds.



Complexity Challenge

Over 2,500 active DPA programs exist but borrowers and lenders find them difficult to navigate. Further, each HFA/DPA provider develops its own second lien documents describing varying repayment provisions.



Lender Challenge

Finding approved DPA programs and understanding guidelines is resource and time intensive. The HFA loan manufacturing process differs from the typical process, creating inefficiency and risk and increasing time to close.



HFA Challenge

HFA systems and information are comprehensive; loan officers just need to use them. Addressing loan officer questions and correcting submission errors is resource and time intensive.



DPA OneSM

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Leveraging Technology

HFA Value Proposition

I need lenders to properly submit based on requirements while working with borrowers

I need lenders to be aware of and understand program updates and requirements while working with borrowers

We help HFAs reduce submission errors and program requirement questions from lenders by giving them a single, standardized, insights-rich place to manage all DPA program information.

I need a way to easily update information in a single location

I need a single format for communicating requirements

Lender/Loan Officer Value Proposition

I need to determine if the program meets Freddie Mac guidelines

I need to easily find a matching DPA program in one place and effectively use the program in real-time

We help loan officers **quickly find, understand, and match** the best DPA programs to their borrowers by giving loan officers all the **program information they need in one place right when they need it most.**

I need to become aware of available and approved DPA programs

I need to know about those changes in the appropriate context with on demand information

I need an efficient process for using the program

DPA One Progress to Date



Secure participation of 9 lender and 8 HFA early adopters – complete



MVP Alpha design and testing – complete



MVP Bravo research and synthesis – complete



Next Steps

“[DPA One] will allow us to view DPA programs that we may not have known about.”

– Loan Officer, National Lender

“This would be amazing. It’s a hassle every time we have someone with DPA because the info is everywhere.”

– Loan Officer, Regional Lender

“DPA One is the Google of DPAs.”

– Loan Officer, National Lender

Standardized Subordinate Lien Documents

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Streamlining Where Possible

Standardized Subordinate Lien Documents

Progress to Date

 Proof of concept – complete

 Generate and confirm HFA interest in a pilot – complete

 Draft and vet standardized documents and supporting materials – complete

 Next Steps

“We are so supportive. You just get going.”
– Homeownership Director, Southeastern State HFA

“We want to pursue this.”
– Homeownership Director, Western State HFA

“Our entire firm supports this effort and I will review and comment on the docs pro bono.”
– Senior Partner, Respected Bond Counsel

An aerial, black and white photograph of a suburban neighborhood. The houses are densely packed, with many trees interspersed throughout. A road or driveway runs through the center of the image. The overall scene is peaceful and residential.

Thank You

Housing Finance Agency Solutions Team “HFAST”

Aligning HFA Market Opportunities
Dottie Sheppick



September 28, 2021

HFAST – A Cross Industry Collaboration



- ▶ NCSHA
- ▶ Mortgage Banker's Association
- ▶ Housing Finance Agencies
- ▶ Banks and Independent Mortgage Bankers
- ▶ Master Servicers
- ▶ Mortgage Insurance Company
- ▶ Document Provider Company
- ▶ Freddie Mac
- ▶ Fannie Mae
- ▶ Other Constituents Included as Needed

Goals of HFAST

Working to bring consistency to:

- Procedures
- Documents
- Terminology
- Process
- A Common Offering for Down Payment Assistance

Out of Scope

- HFA business plans and structures
- Pricing
- Product and program development

