

NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 15, 2016

Visit 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 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.

Communications	Homeownership	Legislative Advocacy	Management Innovation
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
Rental Housing	Special Needs Housing	Special Achievement	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			

MassHousing
Management Innovation - Technology
Modernizing MassHousing's Lender Approval and Recertification Process

As regulatory compliance, quality control and management due diligence requirements become more onerous, MassHousing needed a better way to process applications from banks, credit unions, and mortgage companies seeking to become approved MassHousing lenders. The number of documents required and the myriad of forms submitted from different lenders made it difficult to collect, process, and review all the documents required to approve a new lender. With 150 approved lenders, the annual recertification process was equally daunting. Collecting a complete set of documents as part of an annual recertification process was both time consuming and labor intensive. The additional responsibility of tracking criminal, civil, and regulatory actions taken against lenders or their employees as part of the review was also a challenge.

MassHousing committed to a new and innovative automated process for tracking lender approvals that is thorough, effective and reliable. In order to streamline its review, the Agency turned to an automation process and partnered with an industry leader known as Comergence. Comergence is a proprietary software provider that allows wholesale lenders, like HFAs, to automate the document collection, review, and data management process of their third party originators.

MassHousing is the first HFA client of Comergence in the country. Comergence collects, aggregates, and maintains pertinent data for over 17,000 lender subscribers. The data contains all information normally included in a lender's application to become an approved lender with an investor. This information includes: financials, insurance policies, corporation filings, regulatory required bank reports, board authorizations, policies and procedures. In this way, Comergence acts as a repository of public data regarding civil and criminal actions against lenders, regulatory finding and actions by government agencies. This includes consent, cease and desist orders, lawsuits and other legal actions.

Once a lender and a wholesaler agree to share information, the wholesaler is given access to the lender's data as well as any changes in information or public information in the form of alerts sent to the wholesaler as they happen.

Lenders that provide Comergence with their data and public records are charged a nominal annual maintenance fee (\$50). Wholesale lenders who subscribe to their service are charged a fee to "share lender information" with the lender's permission. The total fee paid by the wholesaler is dependent on the number of lenders and the monthly reporting and alert features for which they opt to subscribe. In the case of MassHousing, the fee is \$15,000 a year.

Lenders are able to download their organizational documents required for application and recertification to multiple investors and wholesalers in a single data storage facility at Comergence. This makes applying to MassHousing for approval easier and simpler by eliminating unnecessary work collecting, copying and sending information in hard copy to MassHousing. MassHousing receives required data electronically insuring that information is thorough, accurate and up-to-date.

This system makes the review process less labor intensive and time consumptive for the Agency. Knowing that information about lenders and actions taken against them is collected and alerts provided daily is a significant improvement in the Agency's due diligence protocol as well. This work would typically require 500 staff hours. The cost paid by MassHousing (\$15,000) is much less than it would be to pay for those 500 hours of staff time.

The updated process for review enables MassHousing staff to spend their time actually reviewing and analyzing the information and then taking action on a timely basis. Prior to Comergence, such activities occurred only after considerable amounts of time were spent requesting, collecting, and tracking down required information from lenders, much of which was often incomplete and outdated.

As a result of this change, MassHousing has a state of the art methodology for collecting and tracking lender data that assures that MassHousing has all required information on its originating lenders in order to comply with the representations and warranties made to investors, rating agencies, and regulatory agencies. There is little concern for a lender issue materializing that the Agency has not covered or of which it has not been notified. As a result, MassHousing has already been able to address issues of concern on a timely basis and then take corrective measures quickly with lenders who have failed to provide required data or for whom we have received an action alert.

This automation dramatically improves MassHousing's quality control of over 150 participating lenders, which can be an onerous and nerve-racking responsibility for any HFA home ownership operation.

MassHousing's partnership with Comergence will help improve the accuracy and speed of the Agency's lender approval and recertification processes. The Comergence platform will integrate with MassHousing's database of record, improving overall efficiency with its partner lenders. Comergence will improve efficiency and effectiveness by significantly reducing lender approval turn times.