

RX Office CMS: Positioning the PHFA Network for the Future in Technology

Pennsylvania Housing Finance Agency
Special Achievement

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BACKGROUND

PHFA's Counseling Division is the division of the PHFA that primarily deals with housing counselors and their agencies. The division provides program support for direct services, education, training and technical assistance to 72 Counseling Agencies across the state of PA and their counselors. We currently manage five initiatives, Comprehensive Housing Counseling Initiative (CHCI), Anti-predatory Lending Initiative, the Mediation and Division Initiative, Housing and Urban Development Initiative (HUD), and Financial Education and Coaching Initiative (FECI).

Support to agencies is conducted through a variety of sources including telephone, webinars and/or face-to-face training and site visits. The division uses an assortment of online resources to collect and track data, monitor performance, and train agencies.

Response to an Important Local & Statewide Need

In 2013, PHFA was contacted by Urban Affairs Coalition's Community and Economic Development (CEO) to serve on a committee formed to address critical issues identified in the 2012 Hylands report, a Philadelphia Federal Reserve study facing the Philadelphia foreclosure counseling industry. Challenges identified included; consistent quality across agencies, overburdening reporting requirements, inadequate funding and pay scales for counseling work, and inefficiencies due to outmoded modes of operation. The challenges identified were not only unique to Philadelphia but common across the state. A collaborative initiative was developed and three working groups were organized and funded by Wells Fargo, Bank of America, M & T Bank and PHFA to support:

- The purchase of new technology equipment for use in Mediation Court (tablets);
- Providing scholarships to counselors to support mandatory industry requirements and;
- Deploying a single data entry system to track counseling activity, management of case loads and adhere to compliance policies.

Additionally, in November 2015, PHFA in partnership with Perry Media Group, conducted two focus groups (Philadelphia/Harrisburg) with our current borrowers to obtain feedback on how we could communicate with our customers, gauge their attitudes and beliefs about the organization, uncover insights into the use of additional financial resources, and gather specific feedback about the newly developed financial education program, Securing Your Financial House. Overall the groups loved the concept of providing financial resources for their use, but thought the course needed to be modernized, condensed, and have customizable features for it users.

Consequently, PHFA began the process of reviewing the Rx Office platform, the features and advantages it has to offer, as well as the cost associated with its use. Several telephone and face-to-face meetings have occurred between PHFA staff, the major housing counseling funder in Philadelphia, the Department of Housing and Community Development (DHCD), and the President as well as the former President of RX Office/Hope LoanPort - Camillo Melchiorre and Mark Cole, respectively.

There were some strong concerns about the current case management system Home Counselor Online (HCO). The HCO customer support team had drastically been reduced and no further modifications to the system could be requested by users (only changes mandated by HUD in order to remain compliant are entertained). Capabilities were limited and the system did not provide access to a customer portal that PHFA can potentially use to communicate with potential homebuyers and our current borrowers. **(Please refer to the chart in Exhibit A of the Appendix)**

INNOVATION
EXTERNAL COST SAVINGS

In determining the expected cost savings for our partners, Clarifi was requested and agreed to provide a Return on Investment (“ROI”) analysis on delinquency clients. On average, a counselor spends 30 minutes entering data into HCO and then an additional 30 minutes entering data into C-Max (an additional Case Management System). Clarifi determined that they would be able to save 5,125¹ hours or \$153,750 annually by using Rx Office in place of HCO and C-Max. **(Please refer to the chart in Exhibit B of the Appendix)** RX Office allows counseling agencies to enter clients in one system and allows agencies to leverage resources and bill clients across multiple funding sources. Customized reports can then be generated to satisfy the billing and reporting requirements of the funders.

While conducting services with delinquent borrowers it may be necessary for the counselor to assist the client with the completion of the Homeowner’s Emergency Mortgage Assistance Program (HEMAP) application. This is a loan program designed to protect Pennsylvanians who, through no fault of their own, are financially unable to make their mortgage payments and are in danger of losing their homes to foreclosure. When the time it takes to complete a HEMAP application is factored in, an additional 2,000 hours or \$60,000² is saved annually. Currently the HEMAP application is completed via an excel spreadsheet. Applications must be mailed to HEMAP department. Any application that is to be mailed to the HEMAP Division and is over 13 oz. must be mailed in multiple envelopes, as required by USPS.

The RxOffice System has the ability to automate the entire application process. By using the RxOffice platform counselors have the ability to pre-populate all forms and disclosures using existing client information that is already entered into the system. The HEMAP application can then, via RxOffice, be submitted electronically directly to the HEMAP department at PHFA saving the counseling agencies time, postage and paper. These savings would be multiplied across the network and have a significant impact. **(Please refer to the chart in Exhibit C of the Appendix)**

INTERNAL COST SAVINGS

With regard to the Affiliate Management features, HCO had its limitations. In addition to tracking required certifications obtained by counselors in RxOffice, we can generate customized reports. Also previously in HCO, the PHFA staff had to combine two reports (Appt & Custom) into one report to be uploaded into our billing system. In total, more than 550 staff hours were calculated that would be saved annually by employees using the new platform. **(Please refer to the chart in Exhibit D of the Appendix)**

The Customer Direct Portal, Homebuyer Club and the HLP Guru are additional features that provide potential and current borrowers the ability to use the credit enhancement tools for pre and post-purchase counseling, set financial goals for potential homeownership, consider refinance options, provide chat capabilities, and upload the PHFA financial statements and the HEMAP applications through the portal. This would address the majority of the recommendations identified by our borrowers in the focus groups mentioned previously.

¹ The average hourly rate (including fringe) for a Clarifi housing counselor is \$30. This figure is multiplied by the hours worked, 5125 (10,250 clients) to determine the annual savings of \$153,750 respectively. *The formula for calculating of hours saved is the number of clients multiplied by 30 (reflects the minutes in CMC) then divided by 60 (this converts the minutes into hours.)*

² The average hourly rate (including fringe) for a Clarifi housing counselor is \$30. This figure is multiplied by the hours worked, 2,000 (4,000 clients) to determine the annual savings of \$60,000 respectively. *The formula for calculating of hours saved is the number of clients multiplied by 30 (reflects the minutes in CMC) then divided by 60 (this converts the minutes into hours.)*

CURRENT STATUS AND INITIAL RESULTS

Internally, RxOffice has received positive feedback from our Loan Servicing and HEMAP departments. Questions, as well as concerns, raised by our IT and legal department have been addressed, and we signed a contract with RxOffice back in September of 2016. Various counseling agencies were selected to assist in comprehensive testing of the system prior to a statewide roll out. We were able to identify potential issues with respect to reporting, uploading billing documents, transmitting and retrieving data, etc. that have been resolved. We rolled the Client Management Portal out to the full network in July of 2017 (Phase I). The Mediation and Diversion Portal was launched in June of 2018 (Phase 2). We are very excited to launch the Affiliate Management Portal in May of this year (Phase 3). The E-Portal will store information regarding agency location(s), counselor information (including training and certifications), agency services provided, required agency documentation, and much more! We will also be releasing the integration of PHFA's Financial Form and HEMAP Application into the RX Office System in the early third quarter of 2019. Currently both forms are completed manually, but the RX integration will save our counseling agencies time and money as mentioned above.

- **RX Office Project Timeline**

- Signed Contract - September 2016
- Development Phase - August-October 2016
- Regional Meetings - September 2016
- Soft Rollout/Initial Testing (11 agencies) Nov. 2016 - Jan. 2017
- Phase 1 - Client Management Portal –
 - Full Network Roll Out (73 Agencies) Launched in July 2017
- Phase 2 – Mediation and Diversion Portal – June 2018
- Phase 3 – Affiliate Management Portal – May 2019
- Phase 4 - PHFA Financial Form Integration – Third Quarter of 2019
- Phase 5 - PHFA HEMAP Application Integration – Third Quarter of 2019

As a direct result of the implementation of the RxOffice System, client production has increased statewide. Under the Comprehensive Housing Counseling Program (CHCI), PHFA saw an increase of approx. 20% in clients served (2017 - 10,313, 2018 - 12,756). Under our HUD Initiative, we saw an increase of approx. 25% in clients served (2017 – 3519, 2018 – 4,371). Also under our CHCI program, we saw an increase of approx. 16% in money paid out to our network (2017 - \$878,625, 2018 - \$1,021,435). As a result of our work across the state and the numbers of clients impacted, we were awarded \$2,455,579 for FY18' from HUD to continue to do Housing Counseling throughout our network. This was the largest award given to any HFA (Housing Finance Agency) in the country for FY18!

CONCLUSION

In an industry that is ever changing, it is necessary to have a CMS system that is adaptable to our current needs, fully customizable, delivers cutting edge technology, and offers real time support. RxOffice has resolved many of the issues raised by our counseling network and our borrowers that participated in the focus groups. Essentially, RxOffice provides several key features that are not offered by HCO. Use of this new technology has improved our communications with our partners, our staff, and our customers. RxOffice has eliminated duplicate data entry in multiple systems increasing the number of clients that they are able to see, decreasing the chance for errors, decreased the cost agencies incur per counselor employed, and increased the efficiency of the PHFA staff. Also, agencies now have the ability to export client data from their existing proprietary CMS into RxOffice should they choose to execute their own agreement with HLP to do so. HCO and C-Max currently do not have this capability.

Moving to RxOffice has positioned our network to see more clients annually, increased the revenue of the counseling agency, and improved efficiencies for all parties involved.

APPENDIX (VISUAL AIDS)

Exhibit A

Features	HCO	RX
Loan Product Comparison	✓	
Generate Residential Loan Application	✓	
Power Pay	✓	✓
Debt Payoff Calculator	✓	✓
Importing of Credit Report	✓	✓
Customizable Reports	limitations	✓
Full Integration of 9902 Data in HCS	partial	✓
Performance Management Dashboard		✓
Servicing Portal		✓
Mediation Portal		✓
Affiliate Management Program (oversight features)	✓	✓
Consumer Direct Portal		✓
Homebuyer Club (online goal setting/action plan development with online chat features)		✓
HLP Guru (online credit enhancement tool)		✓
Ability to Request Changes to the CMS		✓
Ability to Create Workout Packets		✓
Ability to Create HEMAP Applications		✓

Exhibit B

Time Saved Assumptions	
Time spent in HCO per client	30 minutes
Time spent in CMax per client	30 minutes
Time spent in Hope Loan Port per client	30 minutes
Cost to employ a counselor	\$30
Number of PHFA delinquency clients	6,500
Number of DHCD delinquency clients	3,750

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Exhibit C

HEMAP Assumptions	
Time spent assembling each HEMAP application	60 minutes
Time spent in Hope Loan Port per client	30 minutes
Time saved per client with the HLP	30 minutes
Cost to employ a counselor	\$30
Number of HEMAP Applications annually received	4,000

Exhibit D

PHFA Staff Hours Saved	
Updating Agency Contact Information	57.5
Compiling Website Information	16
Combine Appt. and Custom Reports (HUD & CHCI)	240
Upload Invoices/PAR/Combine Report (HUD & CHCI)	138
Emailing Errors to Agencies (HUD & CHCI)	102
Totals Hours Yearly	553.5