

THDA COVID Readiness Response

Tennessee Housing Development Agency

Special Achievement: COVID-19 Response

HFA Staff Contact

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NCSHA 2021 Annual Awards Entry

HFA Name: Tennessee Housing Development Agency
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With the sudden onset of the COVID-19 pandemic, the State of Tennessee responded to guidance provided by the CDC of stay at home orders for non-essential workers. Immediately, THDA clearly defined which staff would be considered essential and proceeded with a plan for telecommuting capability. Further, with additional uncertainty of navigating a pandemic, THDA recognized the importance of clear and often communications to partners, lenders and customers to maintain the operations.

Emergency preparedness and thoughtful response readiness enabled THDA's Single Family Loan Operations and the Volunteer Mortgage Loan Servicing divisions to continue operating with minimal interruption and with a focus on quality customer service to our partners and the consumers THDA serves.

[COVID-19 RESPONSE: SINGLE FAMILY LOAN OPERATIONS](#)

Telecommuting

Following the devastating flood of 2010 in Middle Tennessee, THDA's emergency response team set new plans of preparedness emergency situations. The IT division began changing out all staff desktops with laptops and included VPN access for staff to access THDA's network securely when working remotely. With this capability, previously limited telecommuting became the norm throughout the division. As a result, staff were equipped with the resources and knowledge of how to continue their workflow when they were required to become full-time telecommuters on March 16, 2020, due to COVID-19.

Communications to Partners

Immediate communication to our Lenders, Realtors and Homebuyer Educators included:

- Immediate individual phone calls and scheduled WebEx meetings to top lenders/ Advisory Board Members to assure our lending partners that THDA staff would be working remotely, maintaining business as usual;
- Additional calls explaining THDA's response to FPD/EPD to alleviate concerns lenders had with HFA Bond programs under the new circumstances;
- Alternatives/guidance for continuing homebuyer education provided by THDA's Homebuyer Education team including on line options as well as moving HBE certificates to a closing condition rather than a underwriting condition;
- A successful transition from an in-person event to a virtual, 2-day annual Homebuyer Education Summit (See Appendix);
- Promotion of remote, online notary services in accordance with the Governor's executive order for notarization;

HFA Name: Tennessee Housing Development Agency
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- Rapid implementation of the Online Lender Participation Application process that allows lender to submit documentation for approval electronically. Then the application flows through the system electronically for executive level approvals (TOAD). This included an electronic repository for lender financials and other required documentation during lender annual renewals;
- And, an updated recorded training for every section of the loan flow, available for lenders to watch on demand.

THDA Mortgage Customer Account Manager (CAMs) also made enhancements to training opportunities in response to COVID-19, including:

- Adding 1 and 2 hour Real Estate WebEx CE classes; (Prior only a 4 hour CE class was available through the agency but in the new WebEx environment this provided additional offerings.)
- One-on-One calls to our lender and REALTOR partners to schedule 5 min briefings in their virtual sales meetings;
- Implementing WebEx Great Choice Ops training (2nd Tues of each month) and GC 97 Operations trainings the 2nd Wed of each month. (See Appendix)
- Regularly scheduled calls to our lender partners to update them on changes and new memos.

COVID-19 RESPONSE: VOLUNTEER MORTGAGE LOAN SERVICING (VMLS)

THDA's loan servicing division (VMLS) was also forced to respond to changing business practices due to the COVID-19 pandemic.

Essential Workers

During the initial closure, key VMLS staff were identified as essential. The director, managers and coordinators worked in the office daily to manage the volume of physical payments that were coming into the office. Because of this, THDA was able to maintain same day processing of all payments received. Additionally, the essential staff managed all mail (inbound/outbound) correspondence. Print folders were created and remote staff dropped documents for in office staff to mail. Incoming mail was also opened and addressed daily. At the time of the initial closure, escrow billing was all manual with the office receiving up to 2k billings for payment.

At the time of the initial closure, middle Tennessee had been hit by tornados 2 weeks prior which resulted in widespread devastation. The essential staff was able to return calls to those victims and work the claim processes timely.

Additional VMLS staff worked remotely and communicated via email with borrowers during the initial shut down. Vetted scripts were distributed to staff in order to respond in a consistent manner and to ensure that the latest COVID response information was quickly communicated both internally and externally.

Starting in May 2020, VMLS worked half-staff in the office, working a rotating shift. THDA then split the staff into 4 different floors with management located on every floor. Each floor contained staff from every division at VMLS; customer service, collections, default, escrow and loss mitigation. This was done in the event of a positive test requiring only 25% of the staff to be quarantined.

With VMLS offices being closed to the public, a drop box was installed for borrowers who were accustomed to walking in their payments monthly.

HFA Name: Tennessee Housing Development Agency
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Management provided meals for staff that were in the office working during the initial office closure to show appreciation as well as provide food that wasn't easily obtained with restaurants closed.

Communications, Staff Training, and COVID-19 Initiatives

To maintain enhanced communications efforts, the VMLS website was updated daily in order to provide our customers with the most up to date information relating to COVID and VMLS's response. Topics such as "What is Forbearance" and "What happens after Forbearance" were written with a first time homeowner in mind, making the process as easy to understand as possible.

In addition, staff trainings, appropriate scripts and changing COVID related regulations and options were communicated appropriately to borrowers. Internal tracking specific to the COVID related forbearances were created.

VMLS released the COVID-19 Forbearance option to our borrowers on **March 23, 2020**

- VMLS created a simple 1 page attestation of hardship and 1 page forbearance agreement.
- No late fees or negative credit reporting during the 3 month forbearance.
- VMLS issued Foreclosure Sale Postponement notice to all foreclosure sales scheduled for March.
- VMLS waived IVR and Agent Assist Payment fees for all borrowers for the first 90 days of the pandemic-VMLS paid the fee
- VMLS changed electronic payment rules to allow all borrowers to pay what they can, when they can. IVR custom payment settings opened on March 24, 2020. Website custom payment deployed on June 10, 2020.

VMLS released the Covid-19 Information page on our website on **April 17, 2020**

Staff Training

- Weekly all staff email announcements in March/April and quarterly all-calls
- First of Month all staff Covid-19 Reminder emails
- Published Covid-19 Relief Quick Reference Guide to the Procedure Library on May 1, 2020

Escrow Extensions

- Payment of escrow shortage in full to reduce payment extended from May 1 to June 1
- Due to the middle TN tornado event at the beginning of March paired with Covid-19, enacted our Large Scale Disaster procedure for Loss Draft claims to streamline the process and quickly place funds in the hands of the borrowers and eliminate the need for home inspections.

Covid-19 Tracking added to our PowerBI Month End Dashboard in **October 2020** (See Appendix)

IN SUMMARY

The key to the success of THDA's COVID readiness response was threefold; keeping staff in a safe working environment, providing appropriate communication to our program partners and borrowers and working diligently to provide all protections available to borrowers. Timely communication, responsiveness and the ability to be agile in the every changing environment allowed THDA to meet these expectations.

HFA Name: Tennessee Housing Development Agency
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APPENDIX – Execution of Online Event



Top Features



Project report – Housing Education Symposium 2020

July 20, 2020 - July 22, 2020

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APPENDIX – WebEX Trainings

The advertisement features a large black umbrella with a white handle and a curved tip. In the top left corner, a blue circle contains the text "First Mortgage". In the top right corner, the Tennessee Housing Development Agency logo is displayed. A red banner across the middle of the umbrella reads "GREAT CHOICE MORTGAGE LOAN PROGRAMS". Below the umbrella, the text "Great Choice HOME LOANS" is written in a cursive font, followed by "HOME LOANS" in a sans-serif font. To the right, the phrase "Homeownership for the Brave" is written in a red, italicized font. Three blue boxes provide additional details: "Available for all eligible applicants", "Available for eligible veterans/military", and "Rate reduction: .50%".

THDA 101 Basics:
1-Hour CE Class

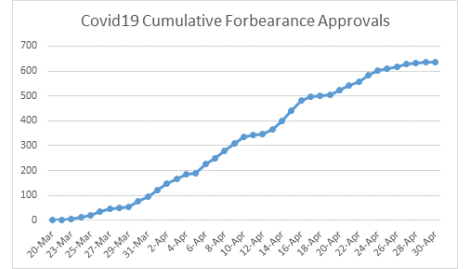
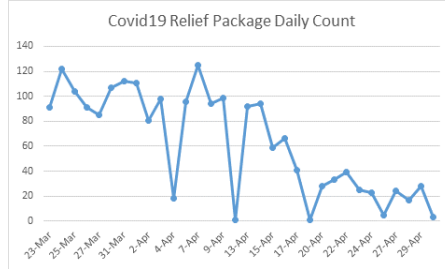
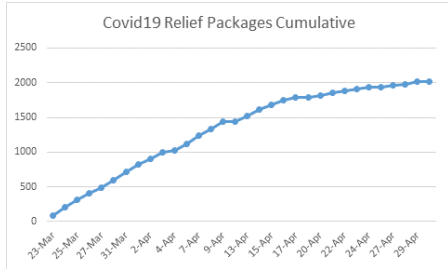
The advertisement features a central graphic of a house with a chimney, set against a background of clouds. Above the house, the text "gc 97+" is written in a large, stylized font. Two red circles on either side of the house contain the text "Down Payment And Closing Costs" and "Monthly Payment & Max CLTV 105%". Below the house, a small red circle with a white "R" inside is positioned above the text "15 Year Term Second Mortgage. Rate Same as First." and "THDA Provides: \$6,000 <\$150,000 \$7,500 ≥\$150,000".

The Freddie Mac
HFA Advantage:
2-Hour CE Class

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APPENDIX – Enhanced Reporting

April 2020 Covid-19 Forbearance Reporting



October 2020 Covid-19 Forbearance Reporting (Month End Data)

THDA Custom Reports

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Relief Information Sent

Year	Month	Total Number
2020	Apr	974
2020	May	372
2020	Jul	266
2020	Jun	257
2020	Aug	216
2020	Sep	174
Total		2263

Active Covid-19 Forbearance Delinquent Count

Year	Month	Total Number	Percentage
2020	Mar	53	0.19%
2020	Apr	439	1.55%
2020	May	322	1.14%
2020	Jun	260	0.92%
2020	Jul	219	0.77%
2020	Aug	161	0.57%
2020	Sep	77	0.27%
Total		1531	5.40%

Active Covid-19 Forbearance Delinquent by Bond

Bond Resolution	Total Number	Percentage of #	Total Balance	Percentage of \$
1974 Bond Resolution	32	0.11%	2,090,758.44	0.07%
1985 Bond Resolution	59	0.21%	3,948,407.93	0.14%
2009 Bond Resolution	45	0.16%	3,687,692.56	0.13%
2013 Bond Resolution	1395	4.92%	178,911,896.59	6.13%
Total	1531	5.40%	188,638,755.52	6.46%

Approved Covid-19 Forbearance

Year	Month	Total Number
2020	Mar	91
2020	Apr	576
2020	May	408
2020	Jun	321
2020	Jul	277
2020	Aug	229
2020	Sep	183
2020	Oct	1
Total		2086

Covid-19 Relief End Dates

Year	Month	Total Number
2020	Mar	26
2020	Apr	75
2020	May	42
2020	Jun	2
2020	Aug	1
Total		146

Covid-19 Foreclosure Sale Moratorium

Bond Resolution	Total Number	Percentage of #	Total Balance	Percentage of \$
1985 Bond Resolution	2	0.01%	49,119.79	0.00%
2009 Bond Resolution	3	0.01%	269,175.03	0.01%
2013 Bond Resolution	48	0.17%	4,767,588.00	0.16%
Total	53	0.19%	5,085,882.82	0.17%

Active Covid-19 Forbearance

Year	Month	Total Number	Percentage
2020	Mar	65	0.23%
2020	Apr	501	1.77%
2020	May	366	1.29%
2020	Jun	319	1.13%
2020	Jul	277	0.96%
2020	Aug	228	0.80%
2020	Sep	183	0.65%
2020	Oct	1	0.00%
Total		1940	6.84%

Active Covid-19 Default Cure Stage

Year	Month	Total Number
2020	Mar	1
2020	Apr	10
2020	May	8
2020	Jun	6
2020	Jul	1
2020	Aug	2
Total		28

Covid-19 Foreclosure Referral Moratorium

Bond Resolution	Total Number	Percentage of #	Total Balance	Percentage of \$
1974 Bond Resolution	7	0.02%	358,498.59	0.01%
1985 Bond Resolution	15	0.05%	1,122,616.50	0.04%
2009 Bond Resolution	7	0.02%	555,498.30	0.02%
2013 Bond Resolution	169	0.60%	16,223,362.03	0.56%
Total	198	0.70%	18,259,975.42	0.63%

Total # Loans	Total Loan Balance
28354	2,919,615,744.78