

Foundations for Comprehensive Partnerships

Harnessing Technology and Data Standardization for Housing Counseling



HOUSING
PARTNERSHIP
NETWORK

Freddie Mac

Housing Counseling Technology Convening | 1.29.2020

Welcome and Introductions

Housing Counseling Technology Convening

 Freddie Mac



Danny Gardner

Senior Vice President and Interim Head of Sales Single-Family Affordable Lending/Sourcing, Freddie Mac



Mr. Gardner is responsible for fulfilling Freddie Mac's community mission to provide sustainable homeownership education and financing to families who are traditionally underserved by the market. He is also responsible for overseeing Freddie Mac's delivery and performance against Single-Family Affordable Lending's goals, Duty to Serve regulation and Access to Credit activities in the FHFA Scorecard.

He and his team support our clients by partnering with the Sales team to educate clients on the availability and use of our affordable-related products and programs, including the Home Possible® suite of mortgage products and our CreditSmart® Financial Literacy Program. He also leads our engagement with state and local housing finance agencies, diverse and inclusive realtor associations and national and local community development organizations, to establish partnerships and programs that create successful homeowners.

With Freddie Mac since 2015, Mr. Gardner brings over 25 years of mortgage banking experience.

Overview of the Day

Housing Counseling Technology Convening

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Chuck Wehrwein

Executive Vice President and Chief Operating Officer, The Housing Partnership Network (HPN)



Chuck Wehrwein is the Chief Operating Officer and Executive Vice President for the Housing Partnership Network. In this role, Chuck oversees HPN's leadership teams and operations, as well as multifamily and homeownership enterprises and programs. He serves as a member of HPN's Executive Leadership Team and plays a key role in managing collaboration among HPN programs and member-driven social enterprises.

Previously, Chuck was a member of HPN's executive team from 2007 to 2012, where he was instrumental in managing the growth and development of the award-winning business collaborative.

A recognized leader in the housing and community development sector, Chuck has held a number of senior-level roles throughout his career, including seven years as Senior Vice President for Real Estate Investment and Strategic Investment at HPN member organization Mercy Housing, Inc.

Agenda

8:30-9:30

Breakfast and Networking

9:30-9:45

Welcome and Introductions, *Danny Gardner*

9:45-10:00

Overview of the Day, *Chuck Wehrwein*

10:00-10:20

HUD Technology & Opportunities for Innovation,
Arthur "Artie" Chin

10:20-11:30

Panel Discussion: Technology Innovations and Prospects
for Deeper Partnerships with the Counseling Industry

11:30-12:30

LUNCH

12:30-1:30

Introduction to MISMO Discussion, *David Barkley*

12:30-1:30

Overview of MISMO Assessment and Presentation on
Assessment Findings, *David Young and Jarett Duker*

1:30-1:45

Expanding the MISMO Standards, *Jan Davis*

1:45-2:00

BREAK

2:00-2:15

Housing Counseling Industry Vision Data Standards
and Fee-for-Service Framework, *Matt Ribe*

2:15-2:30

CMS Perspective on Data Standards

2:30-3:45

Panel Discussion: Where Do We Go From Here?

3:45-4:00

Closing Remarks

4:00-5:00

Networking Reception

Thank You to our Partners



A stronger Illinois begins at home



Thank You to our Partners



A stronger Illinois begins at home

Goals for the Day

- Facilitate a conversation to understand opportunities and challenges to this work;
- Build support for data standardization, strengthen partnerships, and identify opportunities for greater collaboration; and
- Identify next steps and action items

HUD Technologies & Opportunities for Innovation

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Arthur “Artie” Chin

Lead IT FHA Transformation Advisor, Department of Housing and Urban Development (HUD)



Arthur (Artie) Chin is a **Transformation Leader** with expertise in business process improvement and technology modernization. Over his ten year career with the U.S. Department of Housing and Urban Development, he has held several leadership positions including the management and oversight of FHA’s financial operations and financial systems. He has track record as a collaborator that engages partners within the organization and with the financial industry. In 2017, Artie was awarded both the **Secretary’s Award for Excellence**, the Department’s highest honor in recognition of extraordinary commitment, service, and contribution, and the **Distinguished Service Award** for outstanding leadership in developing and directing creative solutions which accomplished extraordinary results for the Department.

In his role as the Program Manager and Executive Sponsor for Housing’s Information Technology Modernization project, Artie continues to leverage his experience in both the financial services and technology industry to make informed, innovative decisions which continuously improve internal processes and stakeholders’ experience when doing business with FHA.



Panel Discussion:
*Technology Innovations and Prospects
for Deeper partnerships with the
Counseling Industry*

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Christine W. Gould

Chief Development & Communications Officer, HomeFree-USA



Christine Gould is the Chief Development and Communications Officer for HomeFree-USA. She is also the director of information systems.

Christine joined the organization in 2005 and is responsible for developing and maintaining strategic partnerships, alliances and business opportunities. She is also responsible for the creation of company branding and producing external communications. An excellent grant writer, she has designed and written proposals that have secured more than \$100 million dollars.

A long time nonprofit professional, Christine excels in the development and administration of community-based programs. She is a graduate of Strayer University and a member of the Association for Fundraising Professionals.

Mike Dawson

VP Single-Family Affordable Lending Strategies and Initiatives, Freddie Mac



Mike Dawson is the vice president of affordable lending strategies and initiatives in Freddie Mac's Single-Family division. He is responsible for managing affordable products and offerings, strategies, research, and regulatory and conservatorship activities associated with broadening access to credit.

Mr. Dawson joined Freddie Mac in 1985. Prior to his current role, he held positions in numerous areas including technology and data initiatives for Single-Family as well as Freddie Mac's structured securitization issuance programs.

He earned a B.S. in finance from Virginia Tech and an MBA from George Mason University, and is a Chartered Financial Analyst. Mr. Dawson serves as Freddie Mac's representative on the MERS Board of Directors.

Patrick “PJ” McCarthy

Vice President, Community Lending, Fannie Mae



P.J. McCarthy is Fannie Mae’s Vice President – Community Lending, reporting to the Senior Vice President and Strategy Insights & Business Enablement Executive. McCarthy is responsible for Fannie Mae's business with state and local Housing Finance Agencies (HFA), Community Development Financial Intermediaries (CDFI), and nonprofit developers.

He leads the development and implementation of the overall strategy for Community Lending, supports business development for the company’s Customer Delivery Teams (CDT), and Community Lending lender partners, oversees staff development, manages the Community Lending organization, and represents Community Lending in interactions within Fannie Mae and external parties.

Danberry Carmon

Associate Deputy Assistant Secretary, Office of Housing Counseling, HUD



Danberry Carmon currently serves as the Associate Deputy Assistant Secretary for HUD Office of Housing Counseling. He previously served as HUD New Orleans Field Office Director and HUD Field Office Director for the Wyoming State Office. Carmon also formerly served as Supervisory Housing Program Specialist in Fort Worth, Texas, Region VI. Serving as a Multifamily Construction Analyst in the Production Department in Fort Worth was Carmon's first role with HUD. Prior to that, he worked as Vice President of the Housing Authority of the City of Jackson, Mississippi. Carmon is originally from the east coast, born in Virginia and raised in Washington, North Carolina.

His Training and experience include four years heavy construction management in southern Louisiana, 14 years of municipal government engineering services in southeast Louisiana, 10 years of public housing consulting, four years of public housing executive management in Louisiana and Mississippi, four years of housing and community development in Mississippi, and two years of adult vocational education instruction in New Orleans.

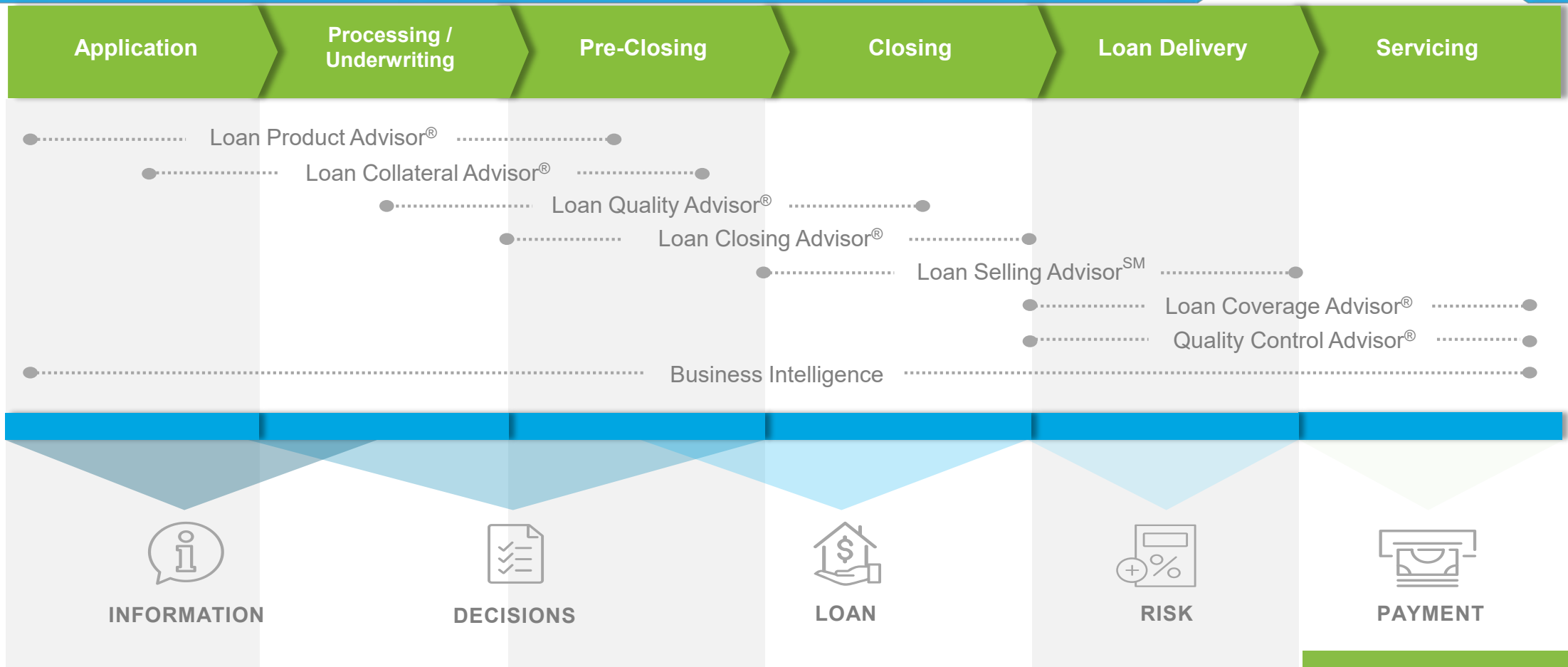
Freddie Mac Updates

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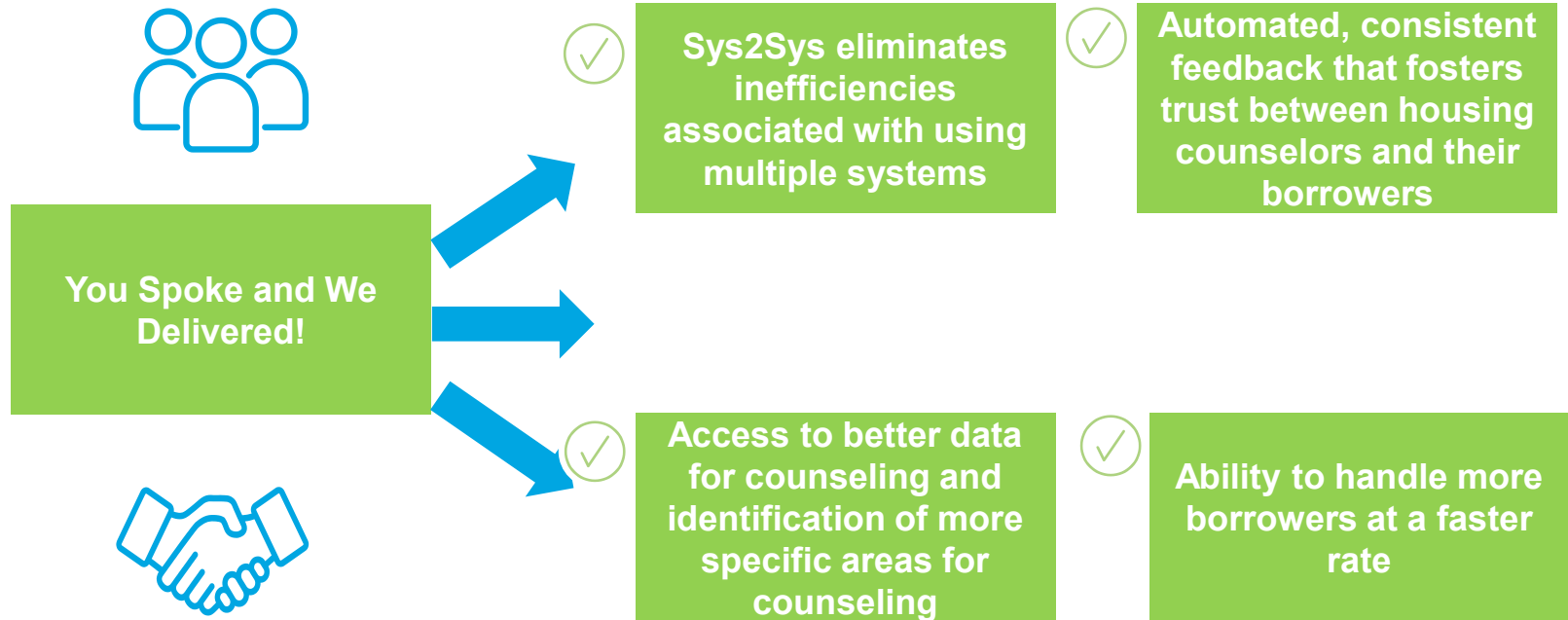


Freddie Mac Loan AdvisorSM

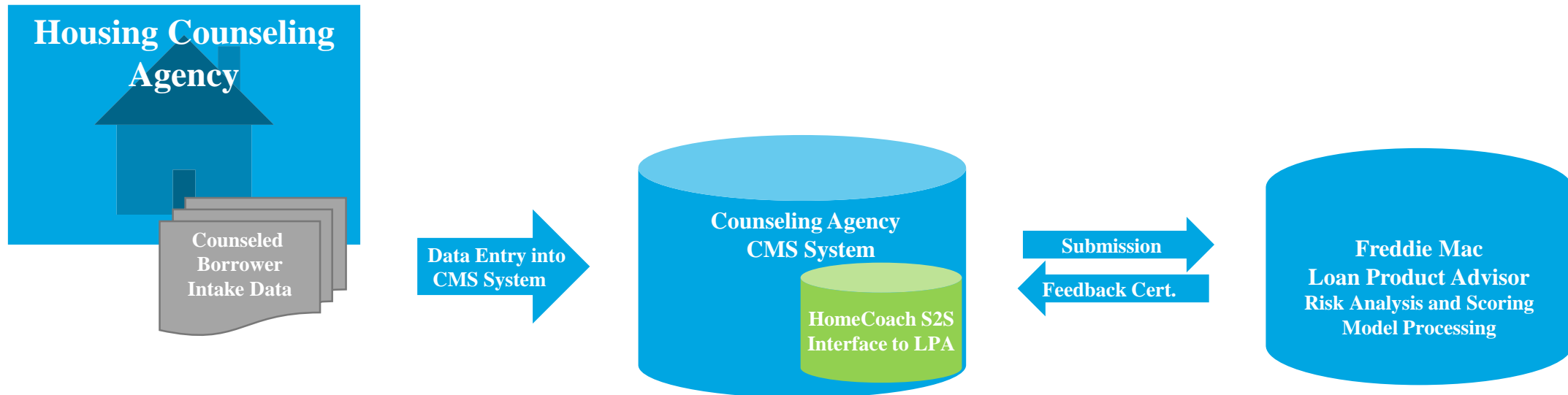


Freddie Mac HomeCoachSM

Freddie Mac's HomeCoach is our offering for Housing Counselors to provide a system to system integration between a Counseling Agency's Client Management System (CMS) and Loan Product Advisor (LPA) to help Housing Counselors determine the mortgage readiness of their clients.



Freddie Mac HomeCoachSM





HPN Technology Convening

Presented by Patrick (PJ) McCarthy

January 29, 2020

Fannie Mae's Commitment

Fannie Mae has supported and will continue to support the Counseling Industry as it embarks on data standardization. Fannie Mae understands the importance of data and the role it plays for counseling agencies, lenders, and the GSE's and is interested in building collaborations with all stake holders to achieve the goal of comprehensive data across the industry.



What Has Fannie Mae Done Thus Far?

How has Fannie Supported the Collaboration of the Industry to Date?



Current Efforts

Research Projects

- Multiple research projects have been completed with counseling agencies, borrowers, and industry professionals to assist in understanding the impact of Homebuyer Education and Housing Counseling

Framework mobile app

- Attempting to achieve: improved loan performance through continued post-closing communication and education
- We Welcome feedback from counselors on hurdles / opportunities in accomplishing this. E.g. reasonable fee to counselors, potential loss / growth of income for counselors, how to manage counseling industry standards



Current Efforts (continued)

Post Purchase Counseling Support

- Continued support of delinquent borrowers through partnerships with non-profits across the country
- Once a borrower has received a modification, we offer continued support through post-modification counseling

Duty to Serve

- Supporting homebuyers in high needs rural regions through engagements with CDFIs, non-profit partners and Universities providing homebuyer readiness services
- Factory Built Housing (Manufactured Housing) Training for housing counselors through partnership with a non-profit to help consumers better understand options



Current Efforts (continued)

Technology connection to declined borrowers

- Fannie is assessing technology platforms who are interested in utilizing technology and seeking ways to better support declined borrowers

Limited English Proficiency (LEP)

- Exploring ways to better support LEP borrowers by better connecting them / lenders with existing Language Access Lines (LALs) offered by counseling agencies
- 2019 Scorecard had us identify ways to do this; 2020 Scorecard will build out and implement plan to promote these solutions without bifurcating them



Fannie Mae \$500 Pre-Purchase Education LLPA Credit

In 2016 Fannie Mae successfully introduced a \$500 pre-purchase LLPA credit to assist the industry in providing funding for qualified borrowers that are counseled and become homeowners.

230 Lenders

To date 230 lenders have taken advantage of the LLPA Credit

Over \$5.4MM

To date Fannie Mae has credited over \$5.4MM for loans that have been delivered utilizing the LLPA Credit . We look forward to assisting lenders in exploring ways to utilize these funds to offset the counselor's fees.



Standards Are Key

Standards are critical to the success of the industry and a key component for Fannie Mae's vision

- The industry is under constant cost pressure, and fintech providers and fintech lenders are disrupting the traditional lending model.
- Emerging technologies will enable a digital process that will both reduce costs and improve the customer experience.
- MISMO and other data standards will reduce friction and enable the use of emerging technologies due to a common language.
- Fannie Mae believes that overcoming these challenges and leveraging standards will allow the industry to move from legacy applications to modern architectures.



How Can the Counseling Industry Become Better Partners to Produce More Sustainable Homeowners?

1. Align Around the Counseling Brand

Continue to find ways to create brand alignment for the counseling industry that would assist the GSE's in sharing the Counseling Industry's value proposition

2. Align on One Tech Solution for All

By adopting one technology solution there will be an elimination of confusion for lenders. This will expedite the adoption rate for other industry stakeholders

3. Collect Data on the Impact of Services to a Loan's Performance

Continue to engage with Lenders and GSE's to find ways to collect data on the impact to loan performance when borrowers complete counseling.

4. Identify Ways to better collaborate with Fannie

Provide feedback on ways that Fannie Mae can better collaborate and assist with data standardization.





Fannie Mae®

U.S. Dept. of HUD Office of Housing Counseling Updates

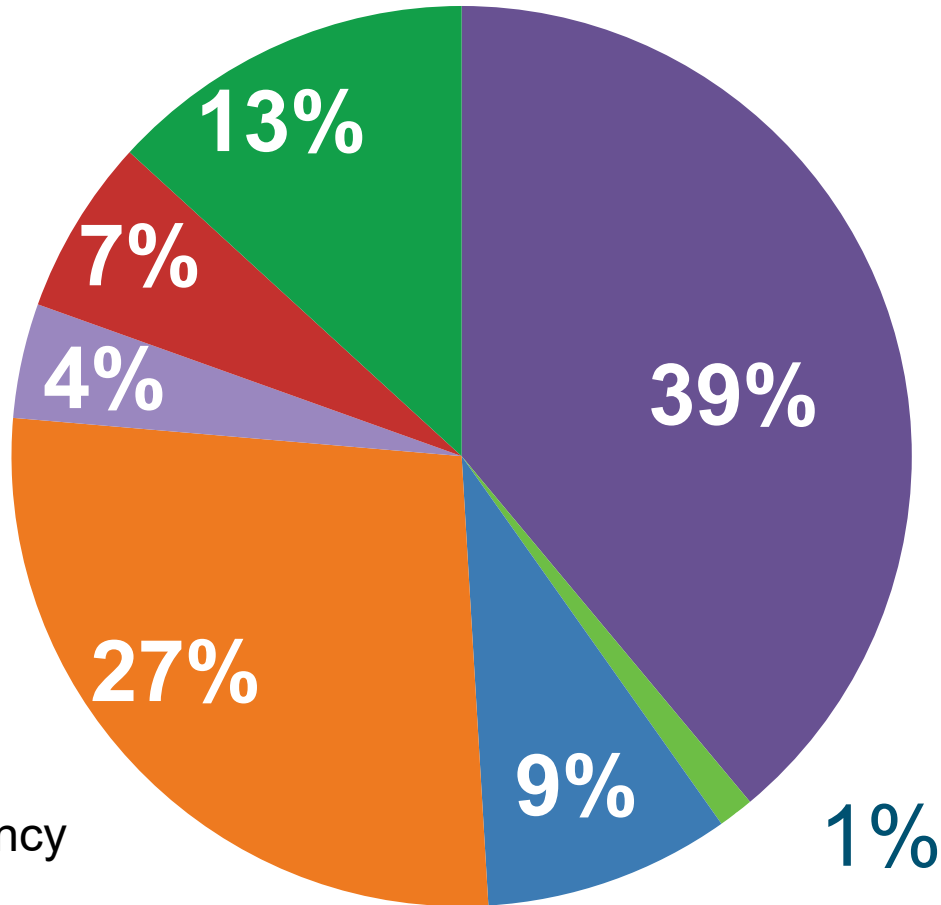
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National Counseling Activity

- Group Education
- Homeless
- Rental
- Pre-purchase
- Post-purchase
- Reverse Mortgage
- Mortgage Delinquency



**Fiscal Year 2019
Total
Counseling
Activity
1,015,911 Clients**

Policy Priorities

Housing Counselor Certification

- 39% of HUD approved agencies have at least one certified housing counselor as of mid-January

CFPB No Action Letter

- Enables funding arrangements between lenders and housing counseling agencies

Financial Literacy and Education Commission

- Coordinates all federal efforts regarding financial literacy
- HUD housing counseling data collection is viewed as a model for other agencies

Housing Counseling & Technology

Service Delivery

- Delivery of housing counseling
 - 85% of Clients prefer online or telephone counseling
- HUD study shows preference for housing counseling

HUD 9902 Mapped to MISMO

- Sets a foundation for sharing housing counseling data and improving data consistency
- Increases the visibility and awareness of housing counseling

Data Standardization

- Facilitates better communication between lenders and counseling agencies

Client Management System Changes

- **HUD Plans Updates to 9902**

- Updates to terminology to increase clarity and consolidate categories
- Establishes new categories to collect data on reverse mortgage delinquency and disaster preparedness and recovery
- Maintains data base of certified counselors

Affordable Housing

In FY 2019, HUD Approved Counseling Agencies Helped:

360,155 Clients

- Worked with a housing counselor to develop a sustainable household budget

15,233 Clients

- Improved home conditions or home affordability

152,370 Clients

- Improved their financial capacity

30,036 Clients

- Prevented or resolved a mortgage default

**Pre-purchase counseling helps clients determine what is affordable.
Mortgage default avoidance counseling helps sustainability.**

U.S. Dept. of HUD Office of Housing Counseling



Find us at:

www.hudexchange.info/counseling

Email us at:

Housing.counseling@hud.gov

Lunch

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Introduction to MISMO Discussion

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David Barkley

Business Initiatives Director, Single Family Business, Freddie Mac



David Barkley is business initiatives director for Freddie Mac's Single-Family Strategic Delivery, Data & Operations Department. His responsibilities include program governance for several Freddie Mac strategic initiatives, including the Federal Housing Finance Agency's Uniform Mortgage Data Program®. This effort directs Fannie Mae and Freddie Mac to establish industry standards that enhance loan quality.

Mr. Barkley serves as Freddie Mac's representative to the Mortgage Industry Standards Maintenance Organization's (MISMO) Residential Governance Committee, and Strategic Planning Committee. He leads Freddie Mac's Loan Advisor Business Program Office and participates in the Mortgage Bankers Association of America's (MBA) MISMO Work Groups. These cross-industry work groups are responsible for developing standardized electronic data transactions and exploring emerging technologies for the real estate finance industry.

Utilizing MISMO Standards- Creating a Standard Exchange for Housing Counseling Info

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The Freddie Mac logo features a white house icon above the text "Freddie Mac" in a white sans-serif font, all set against a green background.



Freddie Mac's Commitment to Standards

- Freddie Mac implemented standard forms and uniform instruments in the 1970's and have been committed to standards ever since.
- The Freddie Standards Team led industry Electronic Data Interchange (EDI) efforts in the 1990's and participated in the formation of MISMO 20 years ago to enhance opportunities to benefit from consistent data and definitions.
- The Uniform Mortgage Data Program (UMDP) chose MISMO standards as a logical starting point 10 years ago when directed by Federal Housing Finance Agency (FHFA) to streamline data exchange with the GSEs. Loan application, appraisal, closing, and mortgage purchase data all use MISMO-based UMDP data sets today.
- As an industry-wide, collaborative organization, MISMO invites contributions from across the loan manufacturing process and from all participants.
- We are here today to welcome housing counselors to the table and explore the benefits to a larger more inclusive mortgage industry.

MISMO Benefits

- Solve industry problems
 - Focus on business, technical, & implementation issues that require collaboration
 - Subject Matter Experts collaborate from across the ecosystem
- Develop standards and best practices for the mortgage finance industry
 - Reduce friction in the loan manufacturing process
 - Facilitate communication / exchange of information
 - Consistent information Exchange—Participants in the data exchange provide the same set of information
 - Better quality information exchange
 - Common understanding of the definitions and formats of each piece of data/information in the exchange
 - Fewer errors (folks provide and receive what is expected)
 - More efficient exchange of information

Standards Opportunities for Counseling

- Today we will hear from:
 - Housing Counseling leaders working with the MISMO standards
 - Vice President of MISMO on the MISMO development process

...to better understand opportunities for Housing Counseling to benefit from industry data exchanges already defined and to expand MISMO's scope.

Overview of MISMO Assessment and Presentation on Assessment Findings

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David Young

Director of Capacity Building, Housing Action Illinois



David Young has been Housing Action Illinois's Director of Capacity Building since 2012. In this role, he is responsible for providing capacity building services to nonprofit developers and housing counseling organizations in order to increase the ability of organizations to best serve their clients and communities.

David brings over 20 years of community development experience to Housing Action, after previous positions as a CDC Executive Director, real estate developer, property manager and housing counseling group education leader. David is especially interested in using his past ED experiences as a resource for current and future executive directors.

In 2014, David oversaw the launch of Housing Action's HUD Housing Counseling Intermediary, which has grown to 33 affiliated direct service agencies serving Illinois, Indiana, Michigan and Missouri. In FY 2019, the network assisted over 14,000 clients with a range of counseling services, including pre-purchase, rental, financial education, and foreclosure mitigation.

Jarett Duker

Brick Bridge Consulting



Jarett Duker is a partner and principle consultant for Brick Bridge Consulting, an IT Development and Business Process consulting firm founded in 2016. Brick Bridge Consulting has a strong focus on helping enterprises leverage existing products into highly customized tech stacks to better meet the unique needs of their industry. Brick Bridge Consulting was contracted in 2017 to design and develop a modern CMS system for the Housing Counseling industry that would be released in 2018 as mPact Pro under Community Ventures, a Lexington KY based CDFI. Jarett lead principle research and design efforts for the mPact Pro system as well as acting as both product and project manager through all phases of development up to commercial release.

Jarett completed his undergraduate work at Hillsdale College with a focus on American Business History and Economics. He is also a veteran of the U.S. Airforce where he served as an intelligence analyst during Operations Iraqi Freedom and Enduring (Afghanistan) Freedom.

Creating Unity in a Diverse Industry: Housing Counseling Data Set

David Young, Housing Action Illinois
Jarett Duker, Brick Bridge Consulting

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Agenda

01

Background &
Need

02

Selecting the
Initial Data Set

03

Survey of the
Counseling Industry

04

Data Set
Version 1.0

05

The Road to
Adoption

06

Questions?

Background & Need

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Selecting the Initial Data Set



MISMO From a Counseling Perspective





MISMO 3.5

- Loan Origination
- Loan Servicing
- Loan Modification
- Default Proceedings
- Regulation Compliance

- Borrower Information
- Borrower Demographics
- Home Purchase
- Mortgage Modification
- Credit Reports
- Household Finances



HOUSING COUNSELING

- Client Assistance
- Education
- Financial Literacy
- Homelessness Assistance
- Rental Assistance
- Homeworner Services
- Default Prevention
- Fundraising & Reporting

Selecting the Initial Data Set

MISMO 3.5 LDD

Contained:

- 4,563 Data Points
- 1,354 Containers

Relevant Data Points (After first pass):

- 1,287 Data Points
- 356 Containers



Industry Survey

November 19th – January 15th

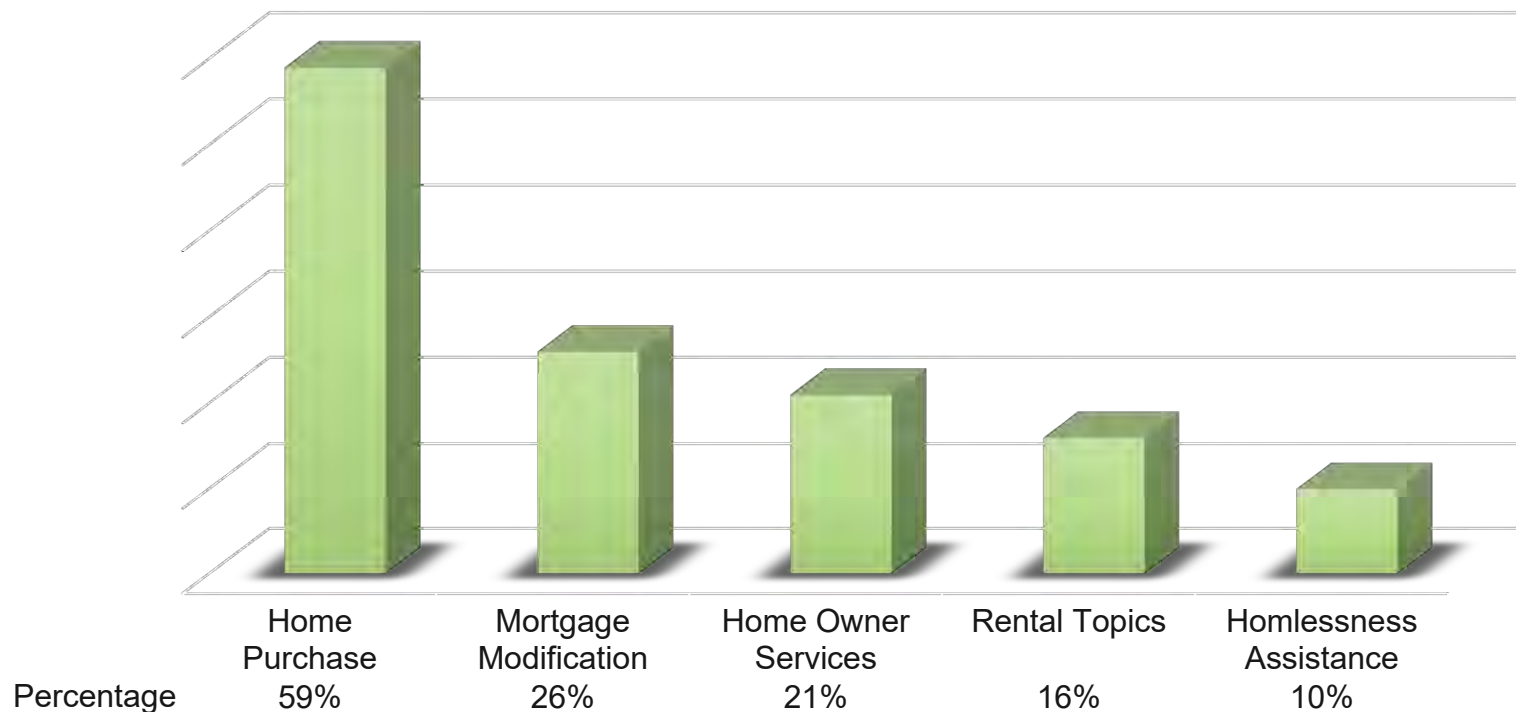


Survey Mindset

- Agency Weighted Activity Focus
- General Current Technology Utilization
- Common Reporting Requirements & Methods

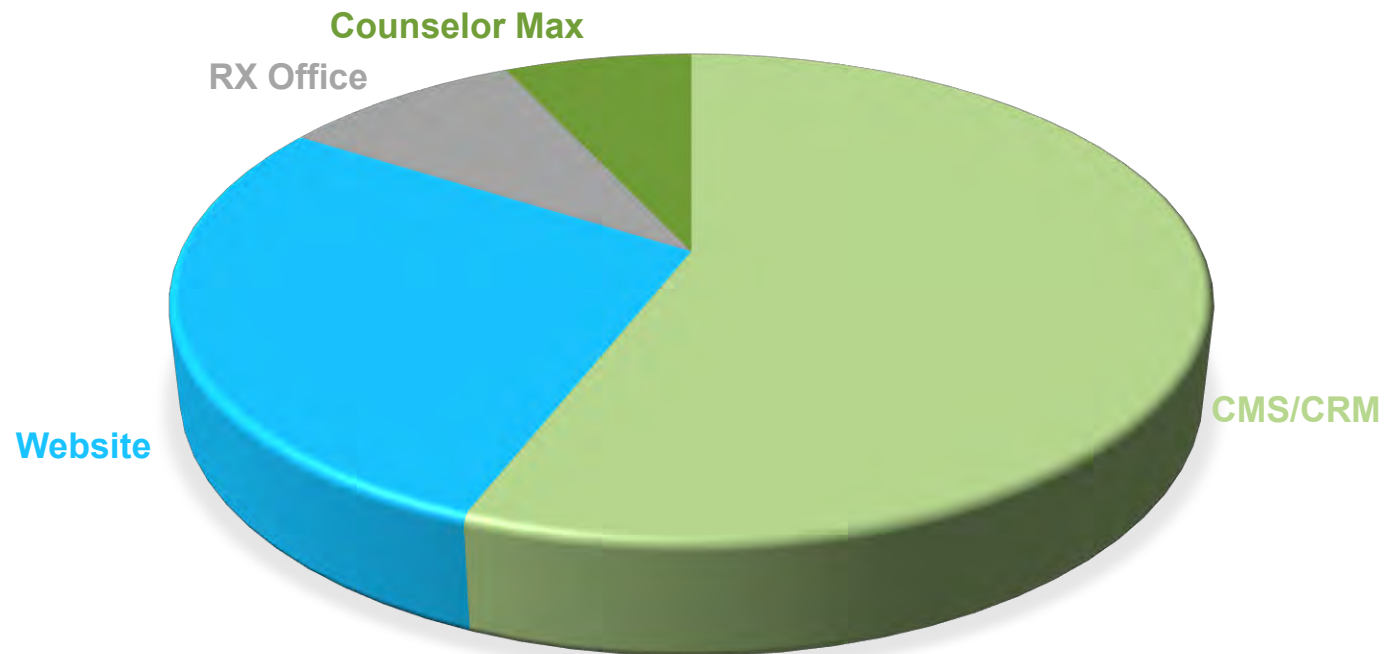
Counseling Activity Types

Average Percentage of Capacity Utilization Industry Aggerated



Technology Use

CRITICAL TECHNOLOGY





Counseling Data Set



Version 1.0



Methodology Pivot – Rating System

Initial Rating System

Confidence 1 – Strongly Relevant to selection criteria

Confidence 2 – Relevance to selection criteria

Confidence 3 – Some relevance

Confidence 4 – Weak connections to criteria

Confidence 5 – Removed from consideration

Methodology Pivot – Rating System

Final Rating System

Required Fields – Essential for basic service delivery.

- **Confidence 1, 2, & 3**

Supporting Fields – Fields necessary for technical (System to System) functions or supporting a required field by adding details. E.g. “Other” text fields supporting a primary category selection.

- **Confidence 1C & 2C**

Extended Fields – Strongly relevant to counseling activity without being directly required by selection criteria.*

- **Confidence 3C**

Findings

Required Fields:

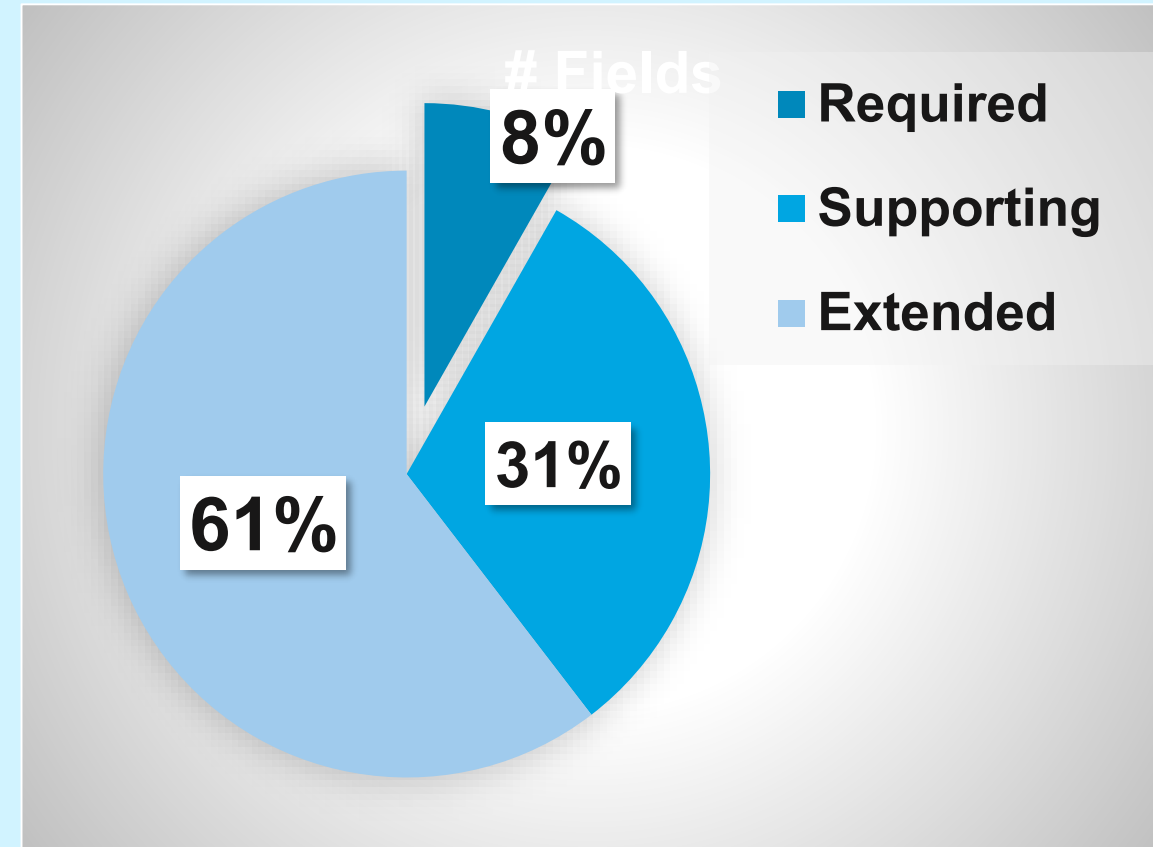
| | |
|-------------------|----|
| Confidence 1 & 2: | 78 |
| Confidence 3: | 12 |

Supporting Fields:

| | |
|----------------|-----|
| Confidence 1C: | 62 |
| Confidence 2C: | 279 |

Extended Fields:

| | |
|----------------|-----|
| Confidence 3C: | 655 |
|----------------|-----|





Next Steps

The Road to Adoption



Bounding in the Data Set

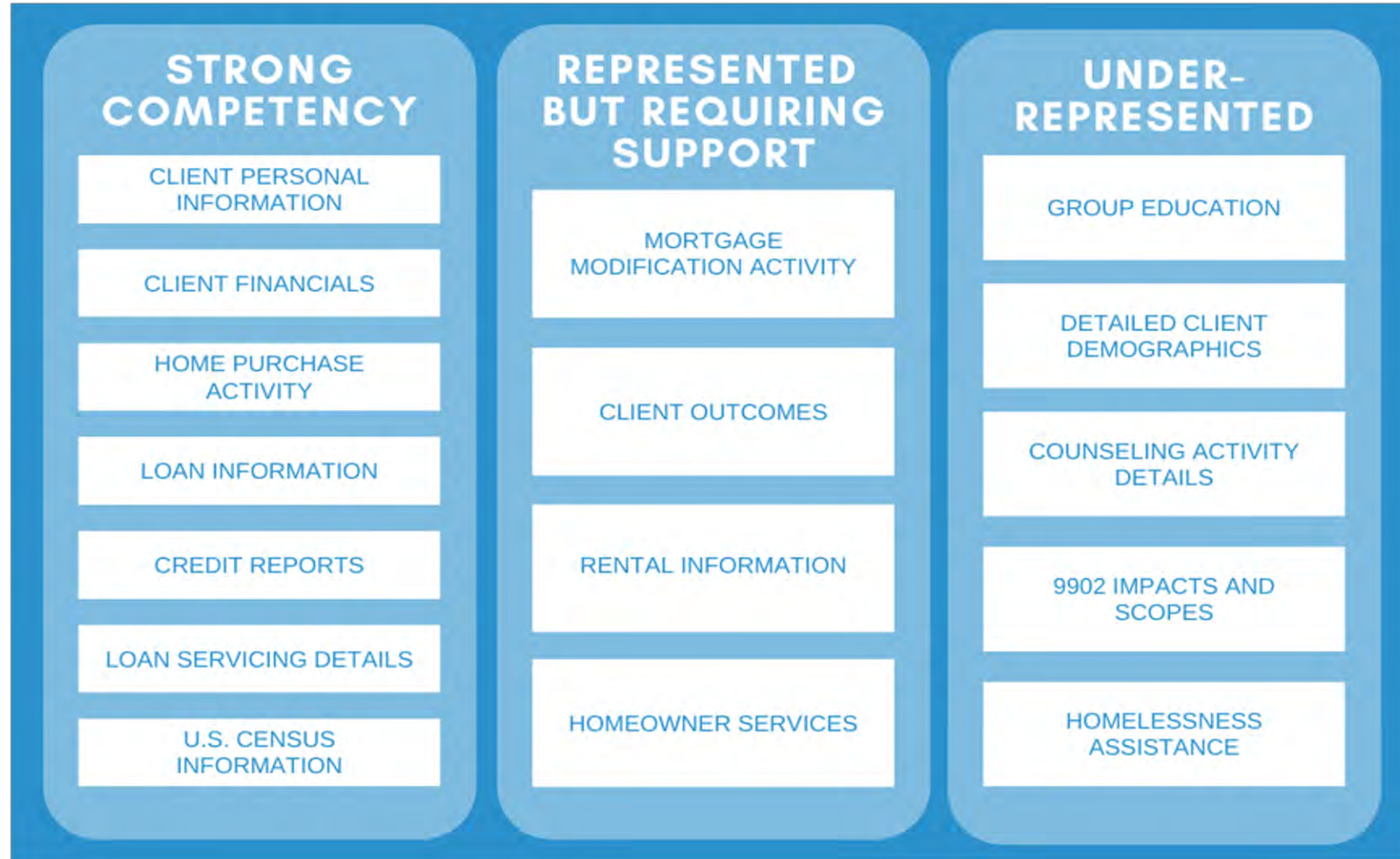
Three Questions to Define the Scope of the Data Set:

What Counseling Activities will be officially supported in Version 2.0 of the Data Set?

Actives such as:

- Home Purchase
- Education
- Mortgage Modification
- Homelessness Assistance
- Rental Topics
- Homeowner Services
- Financial Literacy
-?

Competencies



Bounding in the Data Set

Three Questions to Define the Scope of the Data Set:

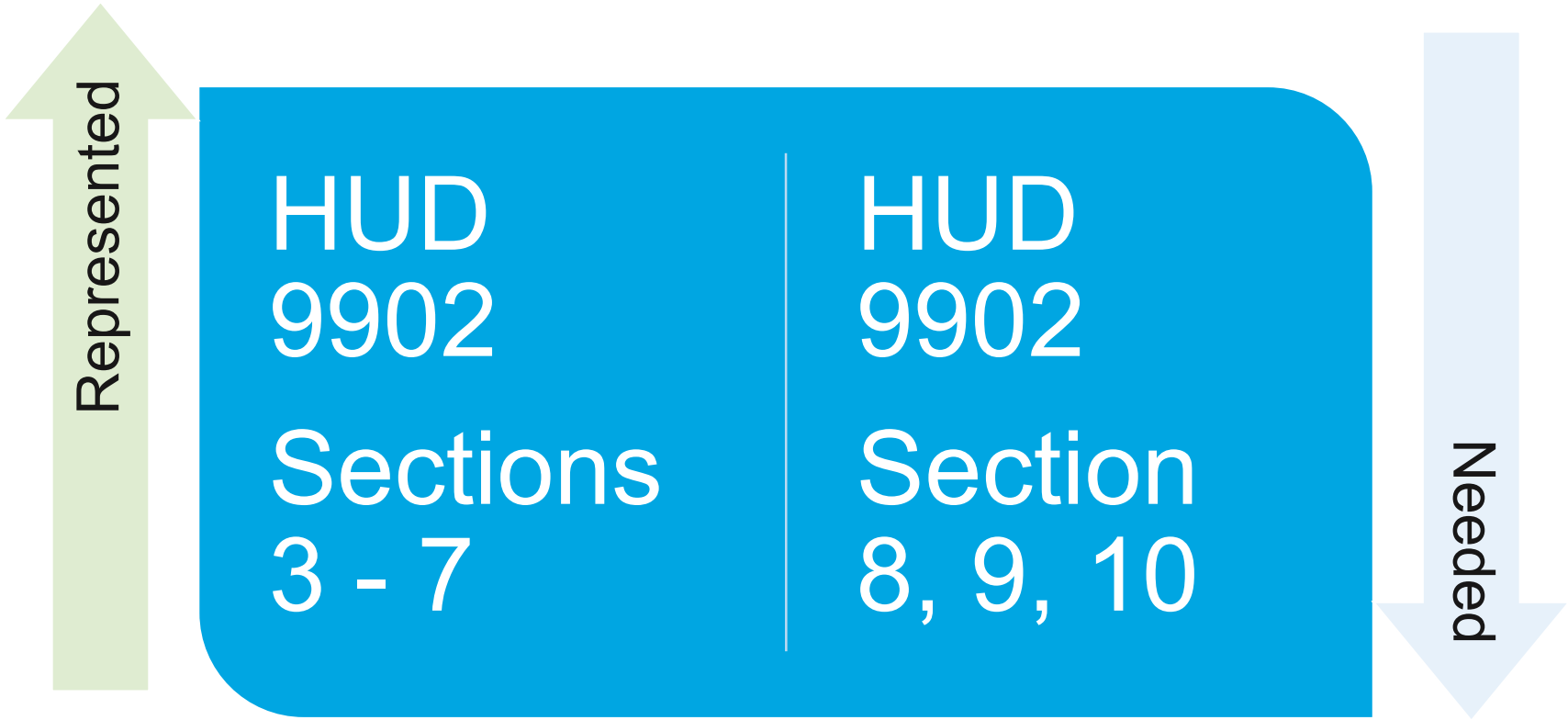
What is the applicability percentage is necessary for a decision?

Bounding in the Data Set

Three Questions to Define the Scope of the Data Set:

Where are the hand-off points between this data set and other systems?

Completing the Data Set Version 1.1



Completing the Data Set Version 1.1

Current CMS/CRM
Data Dictionaries

MISMO
Formatting

Agency
Reporting
Applications

The Cost of Complexity

Every Field Added to the Data Set has a Direct per Unit Cost:

Managing Organization

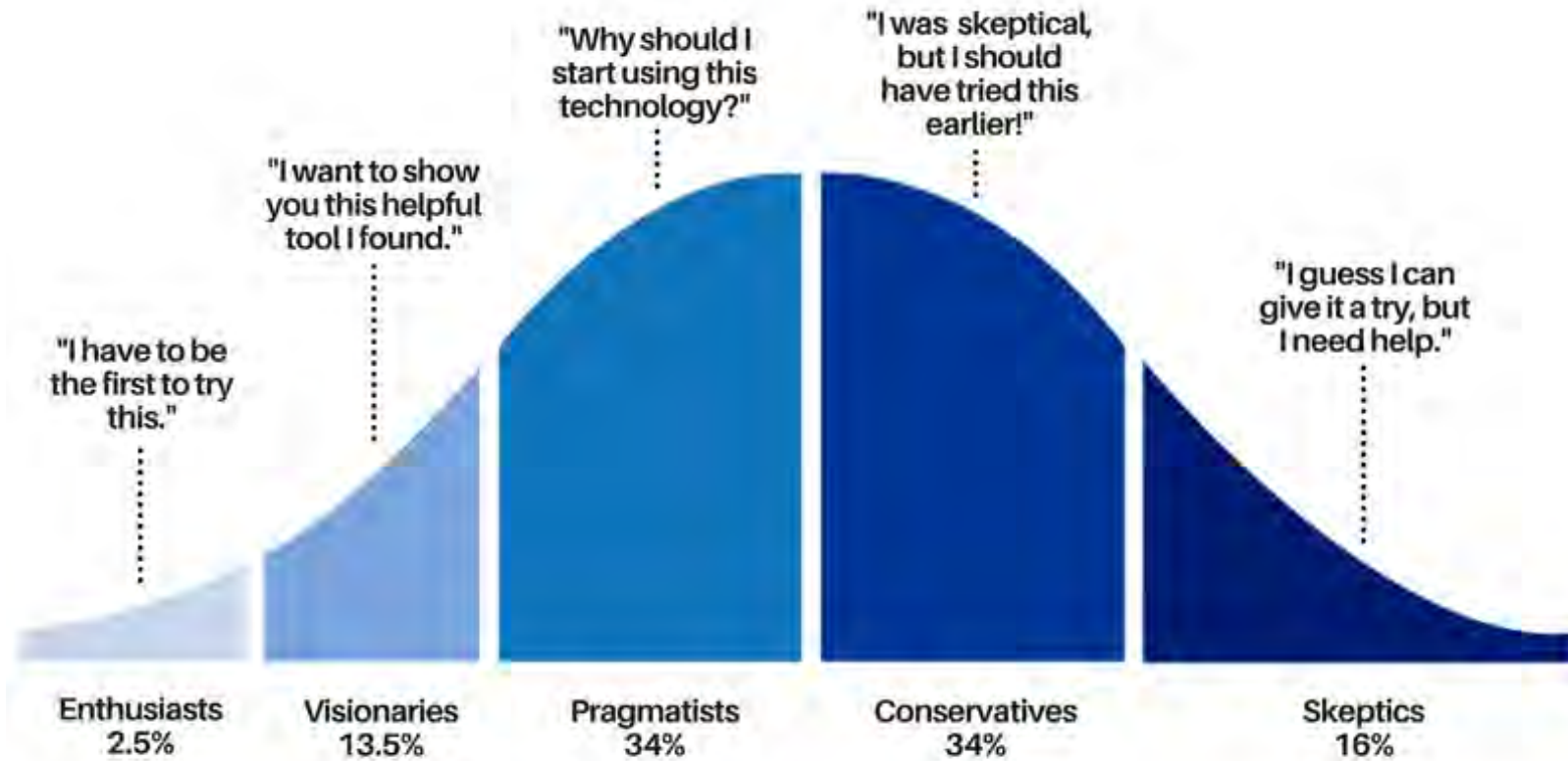
- Change Management
- Compliance

Data Set Consumers

- Barrier to Entry
- Compliance

Standardization creates efficiency in current processes but is an impediment to innovation if over done.

Promoting Adoption



Promoting Adoption

Early Adopters

- Agile organizations with low conversion costs.
- New products that can incorporate the Set into R&D.
- **Low Immediate Impact on Industry Wide Adoption**

Fast Followers

- Established organizations with structural inertia.
- Released products with ongoing active developments.
- **Medium Impact on Industry Wide Adoption**

Conservatives

- Large organizations with complicated change management processes.
- Older products in the later stages of their lifecycle.
- **High Impact on Industry Wide Adoption**

Promoting Adoption

Advantages of Standardized Data:

MISMO Organizational Standards *Template* Available

Data Portability and Aggregation allows for...

A Focus on Demonstratable Client Impact & Outcome

Thank You

*Foundations for Comprehensive Partnerships -
Harnessing Technology and Data
Standardization for Housing Counseling*



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Expanding the MISMO® Standards - Creating a Standard Exchange for Housing Counseling Info

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Jan Davis

Vice President, MISMO



Jan Davis is a leader in the mortgage finance industry with experience managing standards development, mortgage operations, and data warehousing activities. She is the Vice President of MISMO, the mortgage industry's standards organization and Associate Vice President of MBA. Jan is responsible for managing the daily operations of MISMO. Prior to joining MBA, Jan was Director, Single Family Loan Operations at Fannie Mae.

What does MISMO Do?

- Bring industry participants together to collaborate on challenging business & implementation issues. Here are a few examples:
 - Remote Online Notary
 - Closing Instructions Template
 - eMortgage
- Provide a common language required for effective communication / exchange of information
 - Previously
 - Poorly defined terms:
 - Same term, different meaning
 - Different term, same meaning
 - MISMO provides business data definitions & relationships

What is MISMO?

- Mortgage Industry Standards Maintenance Organization
- MISMO refers to:
 - The organization
 - The standards
- MISMO creates:
 - Standards for the mortgage industry (Residential and Commercial)
 - eMortgage guidelines and standards
 - Guides and white papers
- Membership in MISMO is open - lenders, MI companies, title insurers, appraisers, property records, document companies
- Formed in 1999 and incorporated in 2005 as a 501(c)6 non-profit subsidiary of MBA

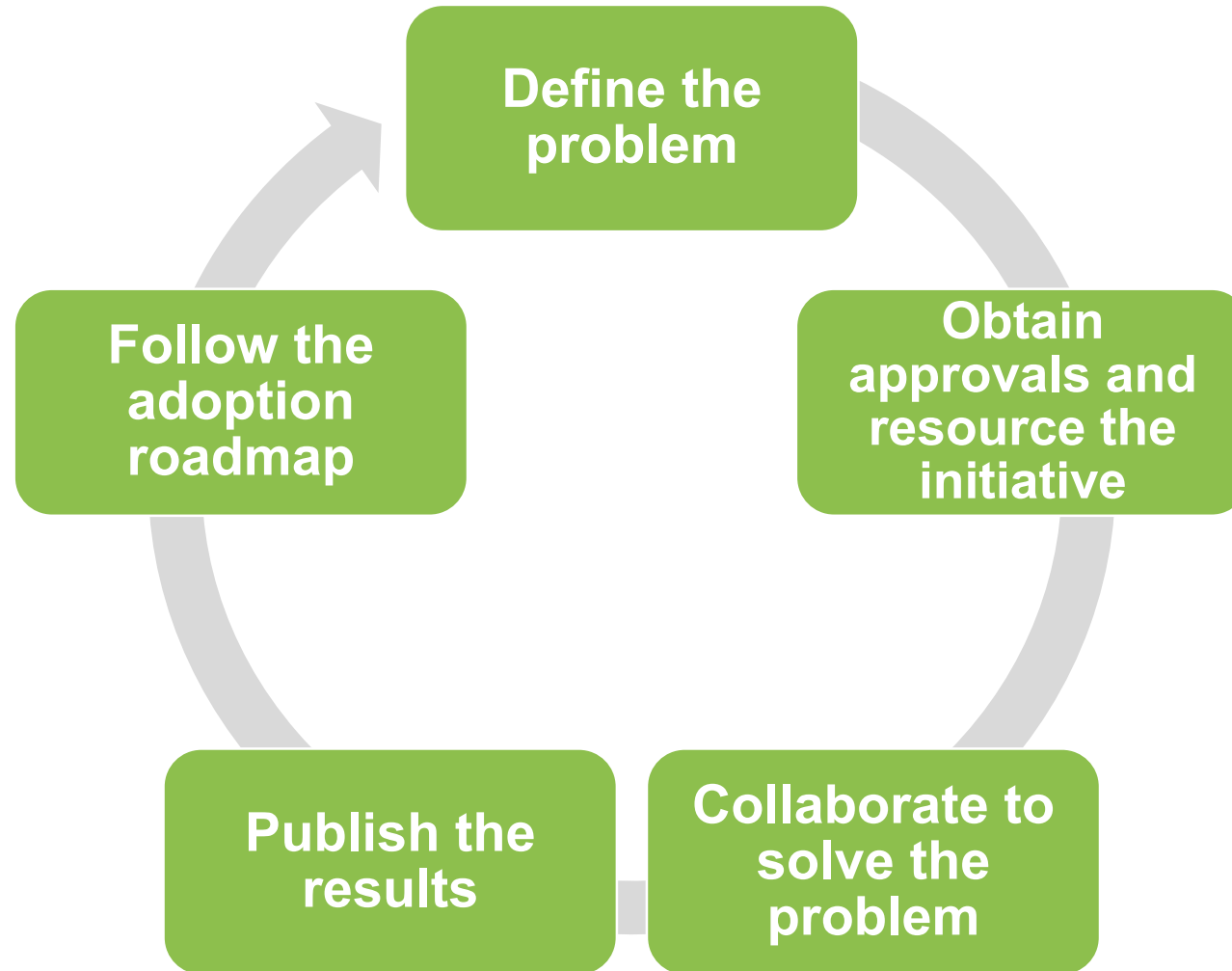
Industry Adoption

- Initial adoption occurred in front-end request/response exchanges in the areas of tax, title, flood, and MI
- Adoption extended into Origination, Underwriting, Secondary, Delivery and Servicing
- MISMO adoption accelerated by GSE's Uniform Mortgage Data Program
 - Uniform Loan Delivery Dataset (ULDD); and Uniform Appraisal Dataset (UAD) reporting requirements were developed according to MISMO standards
 - Uniform Closing Dataset (UCD); Uniform Loan Application Dataset (ULAD)
 - FHFA GSE Scorecard requires GSEs to use MISMO standards for UMDP
- CFPB Final Revised HMDA Rule reporting requirements align with MISMO
- Other agencies known to be in various stages of adoption include: FHA, VA, Ginnie Mae, USDA
- Taxpayer Consent Language adopted by most lenders

MISMO Governance

- **Standards development** is overseen by Governance Committees
 - Residential and Commercial Standards Governance Committees oversee standards in their respective areas
 - Governance committee members are elected annually by electronic ballot from MISMO subscribers
 - Open and transparent standards development process documented in Standards Development Process Document
- **Rights to contribute/use standards** are addressed in MISMO Bylaws, Antitrust Policy, Intellectual Property Rights, and Policies and Procedures documents
- MISMO Board of Directors **oversees the operations** of the organization. MBA staff **handle day-to-day operations** of the organization.

What does the Standards Development Process Look Like?



Define the Problem

- Articulate the problem and why it must be solved
 - What problem will be solved?
 - What resources are needed to support adoption?
 - What are the deliverables?
 - What are the risks of not solving the problem?
 - Who will benefit from the initiative? How will they benefit?
 - Who will adopt the results? What is the likelihood of adoption?
- Identify initiative “champion(s)”
- Prepare and submit a formal work request (business case) to initiate the approval process

Obtain Approvals and Resource the Initiative

- Review work request with appropriate governing bodies
 - Business Executive Team (BET)
 - 1st line review of requests
 - Voting members include chairs of each MISMO committee
 - Residential or Commercial Standards Governance Committee (GC)
 - Voting members elected by MISMO members
- Resource the initiative
 - Determine resource requirements
 - Staff or SME resources needed?
 - Specialized skill sets needed?
 - Publish and promote Call for Participation to notify industry of the effort and encourage interested parties to participate in the initiative
- Obtain approval from appropriate GC to proceed with the initiative

Collaborate to Solve the Problem

- Establish a development workgroup dedicated to solving the problem
- Industry contributors convene on a periodic basis to collaborate to solve the problem
 - Collaboration occurs virtually and in person
 - Via conference line and screen share (weekly, biweekly or monthly)
 - In person at the three annual MISMO Summits (January, June, Sept.)
 - Staff and experienced MISMO contributors available to guide efforts as needed
- Develop requirements for information exchange and other deliverables
- Map requirements to MISMO logical data model
- Identify and fill gaps in the model
- MISMO governance policies and procedures provide the “rules of the road”
 - Governing documents are published in the footer of mismo.org

Publish the Results

- Achieve consensus on deliverables within development workgroup
- Solicit cross functional business and technical and GC approvals to publish
- Publish deliverables to the industry for comment
- Review and disposition comments received
 - May include modifying or enhancing deliverables, as needed
- Move deliverables from DRAFT status and publish

Follow the Adoption Roadmap

- Proactively reach out to key stakeholders to encourage adoption
- Get implementation of deliverables onto stakeholder technology roadmaps
- Confirm that deliverables include everything necessary to support adoption
- Solicit implementation feedback and respond as needed
- Provide training as needed

Questions?



Contact Info

- **Jan Davis**
- Vice President, MISMO
- Associate Vice President, Industry Standards, MBA
- 202-557-2715
- jdavis@mba.org

- MISMO Website: www.mismo.org
- MISMO Connect collaboration tool: <https://collaborate.mismo.org/home>

MISMO Tools and Resources

- **Website** www.mismo.org
 - Official Source for all things MISMO
 - Governing documents, organizational structure, leadership information
 - All Work Products
 - News and meetings
 - Open and accessible to all
- **MISMO Connect** <https://collaborate.mismo.org>
 - Collaboration Tool – A primary communications vehicle
 - Meeting notices, discussion and issues resolution
 - Home for works in progress, documentation and non-official publications
 - Open only to MISMO Members

Break

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Housing Counseling Industry Vision of Data Standards and Fee- for-Service Framework

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Matt Ribe

General Counsel, National Foundation for Credit Counseling



Matt Ribe is the General Counsel for the National Foundation for Credit Counseling® (NFCC®). At the NFCC, he is responsible for legal strategy, corporate governance, and government relations. Ribe is heavily involved in the NFCC's housing counseling work, and serves as co-Chair of the Coalition of HUD Intermediaries. He has appeared in several media outlets, including the New York Times, NBC Nightly News with Lester Holt, ABC 7 News in Chicago, the Atlanta Journal Constitution, Equifax, and Bankrate.

Ribe received his Juris Doctor from American University's Washington College of Law in 2011, and his Bachelor of Arts from Amherst College in 2006. A native of Washington, D.C., Ribe has lived in Colorado and frequently visits family in New Mexico.

Building Tools for the Counseling Industry

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Topics for Today



Coalition of HUD Intermediaries and National Housing Resource Center Joint Statement



Adopting Common Frameworks for Fee-For-Service Arrangements with Lenders



RESPA Cost Framework Overview

Joint Statement of Coalition and NHRC

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Housing Counselors Aligning with MISMO Standards

- As Members of the housing counseling sector, we recognize the important role that data and technology play in helping us best serve and understand our counseling clients. We have agreed to align the housing counseling data standard with MISMO in order to better facilitate this engagement across the counseling, housing and servicing sectors.
- We will therefore seek CMS's that use the MISMO standard. We believe that aligning counseling systems with MISMO will also help facilitate increased engagement with lender partners as we explore opportunities to implement fee for service programs.
- By adopting this standard, we will also pursue MISMO membership with the goal of creating a housing counseling working group to help ensure the views of the housing counseling sector are reflected in the MISMO standard.



Housing Counselors Aligning with MISMO Standards

Housing Counselors see the benefits of data standardization as the ability to:

- Efficiently interface with servicers and lenders to ensure that clients receive the best products and services;
- Allow counselors to track and report on client outcomes when a client is connected directly to a lender through a CMS and receives products or support through this connection;
- Enable information sharing to understand client outcomes—moving beyond whether a client bought a home or received a loan modification to what the terms of the loans are and the client’s post-purchase success or struggles;
- Understand the value of counseling across the board, and in particular in order to structure fee-for-service arrangements;
- Have a view of the life of a loan, being able to look back with speed and efficiency at the history of a borrower when post-purchase, credit, or foreclosure mitigation services are needed;
- Facilitate billing of fee-for-service activity;
- Reduce or ease reporting to lenders, servicers, funders, and government agencies.

Adopting Common Frameworks for Fee-For-Service Arrangements with Lenders

- The No Action Letter released by the Consumer Financial Protection Bureau and Department of Housing and Urban Development governing lender-paid fee-for-service arrangements with housing counselors for pre-purchase counseling presents a tremendous opportunity to deploy housing counselors to reduce America's homeownership gap.
- This announcement followed years of advocacy and work from the counseling community, often supported by leaders in lending and policymaking

Adopting Common Frameworks for Fee-For-Service Arrangements with Lenders

- In order to implement and scale these pre-purchase housing counseling agreements, the housing counseling sector recognizes the need to:
 - Develop a Common Framework for representing the cost of conducting comprehensive and effective pre-purchase housing counseling programs, consistent with the standards put forth by the CFPB and HUD;
 - Adopt centralized agreements between mortgage lenders and Counseling Intermediaries allowing the lenders to contract with multiple counseling agencies simultaneously;
 - Implement technology to facilitate referrals of counseled clients to mortgage lenders according to common standards.

No Action Letter

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No Action Letter and Development Progress Part 1

- The No Action Letter published by CFPB and HUD on September 10, 2019 establishes that Lenders may pay Counseling Agencies a fee for clients referred from pre-purchase counseling programs.
- The policy applies to “Participating Counseling Agencies,” a category that includes both counseling agencies and HUD-approved Intermediaries.
- The policy establishes a cost-based standard for determining whether fees are permissible:
 - Fees must be *commensurate* with the services actually provided, and
 - *Reasonable and Customary* for the area.
- HUD has since stated that lender/agency agreements will establish a baseline for “reasonable and customary” fees.

Lender Updates

- The following lenders have been approved for the No Action Letter:
 - Bank of America
- There are several lenders at various stages in the application & approval process.

RESPA Cost and Value Frameworks

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Cost of Counseling Framework

The Cost of Counseling Framework provides a consistent way for counseling agencies and lenders to establish what the cost of pre-purchase counseling is, in order to satisfy the No Action Letter standard that lender fees must be commensurate with the cost of providing services.

Cost Framework

- The Framework includes all steps and action items included in a comprehensive pre-purchase counseling process.
- The Framework breaks down and quantifies the time required the different components of counseling.
- The next version of the Framework will include technology, administration, and marketing costs.

Cost of Counseling Framework

- What services are specifically being provided as part of the counseling session?
- How can we accommodate cost predictions for short-term, mid-term, and long-term clients?
- How can a counseling agency determine what is appropriate for the area?
 - How does distance/phone counseling factor into the cost framework?
- How can we verify the cost of services provided across such a diverse industry?
- Does Marketing & Company Overhead have a place in the framework?
 - What is a fair market value of marketing services?
- How can my agency leverage the cost framework into a value framework?

Cost of Counseling Framework

Major Categories

- Intake
- First Counseling Session
- Down Payment Application Work
- Prepping Lender Documents
- Further Counseling Sessions
- Customer Prep Work & Follow-up between Appointments
- Post-Closing Follow-up
- Marketing
- Company Overhead

Major Challenges

- Capturing the details without getting caught in the minutiae.
- Providing clear & precise categories to accommodate the broad variance in counseling services provided.

Cost of Counseling Framework

Cost of Counseling Framework

| Counseling Framework Cost Calculator | | | | | | | | | | | | | |
|--|---|---------------------------------------|--|--------------------|-------------------------------|-----|------|--------------------|-----|------|------------------------|---------------------------|---------------------------------------|
| <p><i>Steps to complete the cost calculator:</i></p> <p>1. Type in the Full Cost of the Counselor in the highlighted yellow cell.</p> <p>2. Enter the appropriate time values in the blue columns.</p> <p>3. The total will be compiled at the bottom. This is your calculated cost.</p> | | | | | | | | | | | | | |
| Counselor Full Cost per hour | 80 | | | | | | | | | | | | |
| Does the counselor cost provided above include benefits? | Yes | | | | | | | | | | | | |
| Counseling Services Segments | Services Described | Expected Deliverable | Pop Up Description | Recommended Time | Estimated work time (minutes) | | | HUD Counselor Cost | | | Third Party Costs (\$) | Possible Third Party Type | Cost Type (Full cost/ Fixed/Variable) |
| | | | | | Short | Mid | Long | Short | Mid | Long | | | |
| Client Intake & Prep Time | | | | | 30 | 30 | 30 | | | | \$ - | | |
| | Capturing client information. | 1. A client file in the agency's CMS. | The average time it takes a person to enter capture client information. If your agency uses an automated intake tool, consider the cost of using the tool. | 30 minutes or less | 30 | 30 | 30 | 40 | 40 | 40 | \$ - | Application | Fixed |
| Client Intake & Prep Time | Printing out & organizing client files in preparation for the counseling appointment. | | | 10 minutes or less | - | - | - | 0 | 0 | 0 | \$ - | | Fixed |
| | Reminder Notifications | | Calls, emails, or texts prior to the initial appointment that are either manually or automatically sent. | 5 minutes or less | - | - | - | 0 | 0 | 0 | \$ - | Application | Fixed |

Cost of Counseling Framework

Cost of Counseling Framework

| <i>Counseling Services Cost Breakdown</i> | <i>Cost of Specific Service (by major segment of Counseling)</i> | |
|---|--|-----|
| | <i>Subtotal of costs (\$)</i> | |
| I. Readiness/Counseling Introduction Session | \$ | 100 |
| II. Determination of Down Payment (Range 3%-20%) | \$ | 50 |
| III. Lender Preparation | \$ | 240 |
| IV. Down Payment Assistance Application | \$ | 150 |
| V. Follow up sessions - mortgage readiness (average 3 sessions) | \$ | 175 |
| VI. Document collection and follow up | \$ | 25 |
| VII. Review of available selection of Mortgage programs | \$ | 50 |
| VIII. Customer service follow up (Average 10 calls and emails) | \$ | 50 |
| IX. Issue Final Mortgage Readiness Certificate | \$ | 10 |
| Total Costs | \$ | 850 |

*Not actual client values

EHO Value Framework Assumptions to be Tested – Lender, Consumer

- **A more prepared client (processing functions to prepare).**
 - Mortgage documents collected and reviewed.
 - Credit and FICO (soft pull).
 - Debt to income ratios calculated.
- **Coaching on basic homeownership elements.**
- **Train for Real Estate taxes and Homeowner insurance – Escrow.**
- **Down Payment Assistance upfront work completed/opportunity.**
- **More qualified and prepared consumer.**
 - Understand the appraisal process and requirements.
 - Understand different loan types, value and calculation of pricing/fees.
 - Documents ready for processing for most programs.
 - Less Loan Officer time needed for coaching/training.
- **More efficient processing, underwriting and closing (fewer days to close).**
- **Lower cost for lenders.**
- **LMI clients / producing CRA credits.**

Lender Value

Lender Value

| Current State | | | | EHO Future State | | | |
|---|----------------|------------------|---------------------|--|---------------|-------------------|--------------------------|
| Salary cost | | | | Cost | | | |
| Cost | Annual | Mth | Day | Cost | Annual | Mth | Day |
| Loan Officer | \$125,000 | \$10,417 | \$496 | Loan Officer | \$125,000 | \$10,417 | \$496 |
| Processor | \$65,000 | \$5,417 | \$258 | Processor | \$65,000 | \$5,417 | \$258 |
| Underwriter | \$95,000 | \$7,917 | \$377 | Underwriter | \$95,000 | \$7,917 | \$377 |
| Closer | \$60,000 | \$5,000 | \$238 | Closer | \$60,000 | \$5,000 | \$238 |
| Post Closing | \$45,000 | \$3,750 | \$179 | Post Closing | \$45,000 | \$3,750 | \$179 |
| Pull Through Efficiency | | | | EHO Pull Through Efficiency + Pick-up | | | |
| Defect | Days | | | Defect | Days | \$\$ | Fallout recapture |
| Loan Officer | 4 | | | Loan Officer | 2 | \$992 | |
| Document Chasing | 12 | | | Doc Chase | 6 | \$1,548 | |
| Underwriter Turn Around | 4 | | | Underwriter Turn Around | 2 | \$754 | |
| CD/LE Sign | 2 | | | CD/LE Sign | 1 | \$496 | |
| Post Close Issues | 15 | | | Post Close | 2 | \$357 | |
| PT - DTC | 62% | | | PT - DTC *** | 80% | | 18% |
| PT - Retail | 85% | | | PT - Retail | 90% | | 5% |
| | | | | Total \$ 3,154.76 | | | |
| | | | | Time Line reduction 9 | | | |
| Current State - MiscAdditional Pick-up | | | | EHO Future State - Misc | | | |
| Defect | Days | Extension | Extension | Defect | Days | Efficiency | Pick-up \$ |
| Rate Lock | 45 | 1 | 1 | Rate Lock | 30 | -15 | \$ 250.00 |
| Quality Control Issues | 20% | | | Quality Control Issues* | 10% | -10% | 0.5 |
| Post Close Issues | 15% | | | Post Close Issues** | 5% | -10% | 0.5 |
| Customer Satisfaction (N | 0 | | | LMI/CRA Program | \$ 1,800.00 | | |
| | | | | Reduction in Early Payment Defaults \$TBD | | | |
| | | | | Customer Satisfaction \$TBD | | | |
| | | | | Grand Total \$5,204.76 | | | |
| | | | | Total Time Line Reduction 10 | | | |
| Net Value Sharing proposal | | | | | | | |
| | Percent | \$ | Comments | | | | |
| Consumer | 20% | \$1,041 | cost of counseling+ | | | | |
| EHO Agency | 55% | \$2,863 | | | | | |
| Lender | 25% | \$1,301 | | | | | |

*Assumed Values to be validated through pilot testing.

Next Steps

Cost Framework Development:

- Incorporate all feedback gathered from preliminary calls.
- Release the next version for a final round of feedback.

Counseling Sector Support:

- Conduct third party training.
- Formally publish the final tool.

Testing and Validation:

- Test assumptions in Cost and Value Frameworks through pilot programs.

CMS Perspectives on Data Standards

*Tiffany Eng, HomeKeeper Program Director
Grounded Solutions Network*

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Tiffany Eng

Director of HomeKeeper, Grounded Solutions Network



Tiffany is the HomeKeeper Director at Grounded Solutions Network. Since 2010, she has been overseeing product development, marketing and support for HomeKeeper and the HomeKeeper National Data Hub. HomeKeeper is a HUD-approved client management system built by and for affordable homeownership practitioners and housing counseling agencies.

Tiffany has over 20 years of experience in the community development and affordable housing sector and has worked at the local and national level. In addition, she has been a licensed California REALTOR since 2007 and is a passionate advocate for first-time homebuyers and family-friendly cities. Tiffany has a masters in City and Regional Planning from UC Berkeley and an undergraduate degree in anthropology from Carleton College.



HomeKeeper



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strong communities
from the ground up

Our Approach



1. Standardization
2. Implementation
3. Consolidation / Aggregation
4. Visualization
5. Evaluation
6. Integration
7. Inspiration

1. Standardization

Has everyone agreed to collect the same information in the same way?



Data Collection Checklist

Are you collecting the HomeKeeper National Data Hub fields?

Representatives from the field and homeownership researchers helped Grounded Solutions assemble a standardized list of data fields to be used to measure program performance and impact. By having programs collect the same data in the same way, we can create more accurate reports at the national level. This checklist is designed to help homeownership programs that preserve affordability over the long term align program documents and - procedures with HomeKeeper data collection standards. Review this list of data fields and consider what changes you need to make to align your information to that of your peers.

Application Information

| | Field Label | Notes |
|--------------------------|-------------------------------|---|
| <input type="checkbox"/> | Applicant Address | Including street, city, state, postal code and county of the primary homebuyer applicant's home address at the time of application. This information should be stored in 5 separate fields. |
| <input type="checkbox"/> | Applicant Living Situation | Rent * Own * Live with Parents / Relatives / Friends * Lease Purchase * Other |
| <input type="checkbox"/> | Ethnicity | Hispanic * Not Hispanic * Chose Not to Respond |
| <input type="checkbox"/> | First-Time Homebuyer | Check the box if the applicant household is a first-time buyer, as defined by the program. |
| <input type="checkbox"/> | Household Size | At the time the income is certified or verified |
| <input type="checkbox"/> | Person w/ Special Needs in HH | Is there a person in the household with a disability of long duration? Yes or No? |

2. Implementation

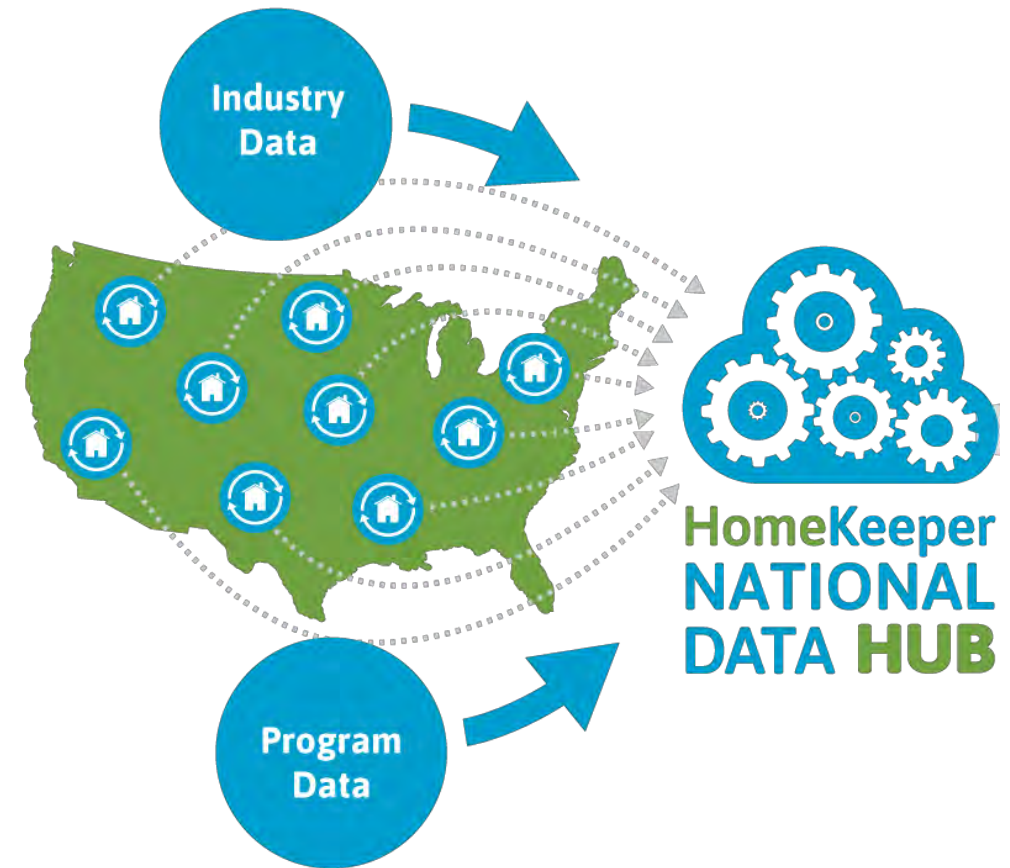
What is the most effective way to collect the most and most accurate data?



3. Consolidation and Aggregation

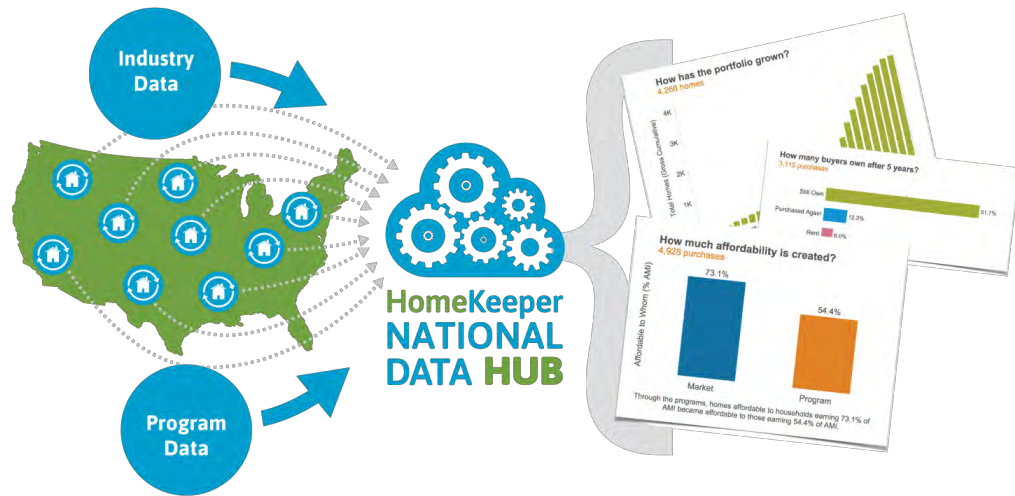
How do we collect data from a network of programs and where do we store it?

How do we transform the data into meaningful sector-wide metrics?



4. Visualization

How will we share metrics with the programs that contribute data, our partners and our public stakeholders?



5. Evaluation

What does our comprehensive dataset tell us about our programs and sector?



6. Integration

What other systems and standards do our users need to connect to or align with?



7. Inspiration

What are the benefits and outcomes of a more coordinated and data-driven sector?



Contact Info

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HomeKeeper Program Director

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Learn More | MyHomeKeeper.org



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strong communities
from the ground up

CMS Perspectives on Data Standards

Sireesha Mandava, CIO and VP of Innovation, GreenPath
Financial Wellness

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Sireesha Mandava

CIO and VP of Innovation, GreenPath



Sireesha Mandava is the Chief Information Officer and Vice President of Innovation at GreenPath Financial Wellness and its affiliates, HPF, Clarifi and RDI. Together, these non-profits are focused on helping people lead financially healthy lives. Sireesha is passionate about innovation through technology and actively brings her over two decades of experience, energy and enthusiasm to bring new solutions to hard problems.

At GreenPath, she brought in new technologies to improve software delivery, harness insights from data and is leading initiatives to build mobile apps for better client and partner experiences. Prior to GreenPath, Sireesha founded and grew a software start-up within the company she was managing global IT for.

Sireesha holds a master's degree in Business Administration from the Ross School of Business at the University of Michigan, and a bachelor's degree in Electrical and Electronics Engineering from BITS, India.

About...



Sireesha Mandava

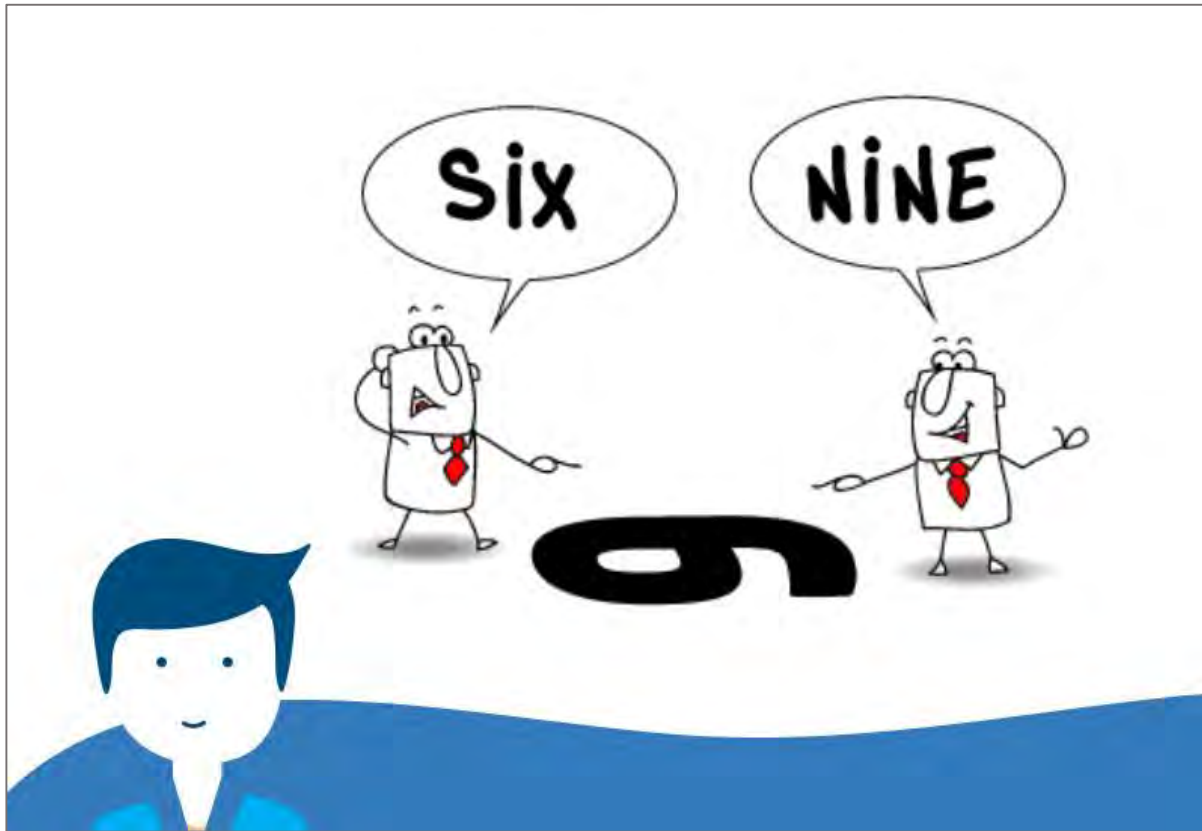
CIO and VP of Innovation

smandava@greenpath.com

- National Debt and Housing counseling agency
- Affiliated with HPF, RDI and Clarifi
- Use Proprietary CMS
- Built and maintained in house

- My Role: Chief Information Officer
- Background and Expertise: Technology

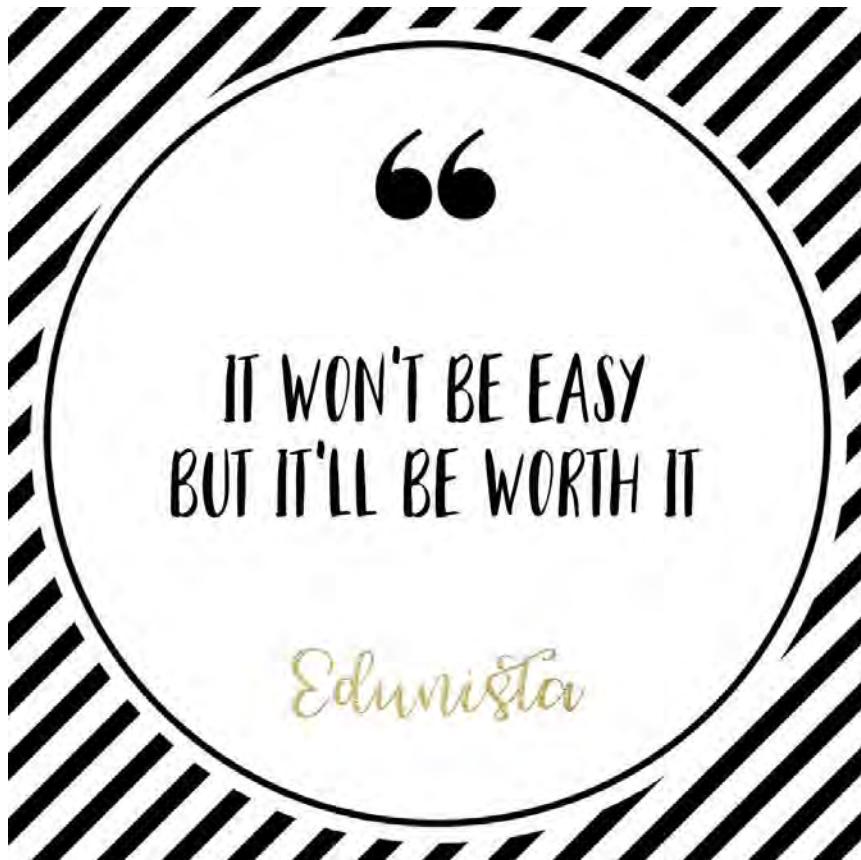
Our Perspective on Data Standardization



Creating a
Common Language
is a
GOOD THING!



Learning, adapting,
and using the same
language is a
DIFFICULT THING!



But this
DIFFICULT THING
is WORTH doing!

Some Tips to Move Forward

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Our Approach

1. Be **Informed**
2. Be **Inclusive**
3. Be **Iterative**
4. Be **Implementable**

Be Informed

- Plug yourself into the action
- Contribute to the standardization effort
- Give feedback

Be Inclusive

- Consider the impact on all the programs offered
- Consider the end to end process
 - The counseling process
 - The client
 - The counselor
 - The outputs
- Does it increase or decrease friction to the client's intended outcome
- Consider what is already available
 - other grants may already be asking for this info that can be reused

Be Iterative

- Make changes often
- Use Agile approach for development
- Constant collaboration with other entities
- Test, Test, Test

Be Implementable

- Do not under estimate training time and effort
- Consistency is not easy to achieve
 - Understanding/interpretation of the definition. Eg. income – validated vs stated; gross vs net
 - Controls around edits and getting around the validation on fields. Eg. 9s for SSN
- Collaborate for best client outcome
 - Understand what happened before, what is being offered and what happens after
- Focus on overall improved impact

Panel Discussion: *Where Do We Go From Here?*

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Meaghan McCarthy

VP, Affordable Housing and Consumer Empowerment, HPN



Meaghan McCarthy joined the Housing Partnership Network in May 2019 as the Vice President of Affordable Housing and Consumer Empowerment. In this role, Meaghan oversees HPN's homeownership and consumer empowerment work including housing counseling, homeownership development and finance, and economic mobility initiatives.

Prior to joining HPN, Meaghan worked for four years at MassHousing in the Rental Business Development group, where she managed relationships with affordable multifamily housing developers, originated and structured loans, and worked on other special projects, including the design and implementation of a subordinate debt program.

Previously, Meaghan was a member of the Senate Appropriations Committee staff for over 12 years. During her tenure on the Committee, she served as a senior budget and policy analyst overseeing a variety of federal housing and community development programs. Meaghan started her career at the Children Defense Fund.

Closing Remarks

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Networking Reception

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