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# HPN Technology Convening

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# 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 Mae 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.

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## 230 Lenders

To date 230 lenders have taken advantage of the LLPA Credit

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## 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.



