

# Foundations for Comprehensive Partnerships

## Harnessing Technology and Data Standardization for Housing Counseling

### Event Summary and Next Steps

#### Themes of the Day

There were several recurring themes that surfaced during the day:

- **Organized Collaboration:** One major theme expressed throughout the day was the need for organized collaboration within the counseling sector and with other housing industry partners, including the housing finance sector. We also need to be as inclusive as possible as there will be much work to be done that will require broad participation to deliver a viable and sustainable business model.
- **Freddie Mac and Fannie Mae Engagement:** We heard GSEs express a willingness to stay engaged with the counseling sector and they offered insights as to how their technology focus can help counseling entities integrate into the loan processing work flow, as well as how that could generate revenue opportunities for counseling agencies.
- **Limitations Due to Lack of Data Standardization:** We heard how the lack of data standardization held back the lending industry, HUD, and the counseling sector itself. For the counseling sector to capture the value it brings to the mortgage and housing industry we need the data, and having standardized data will make the value documentation easier and more acceptable to our partners. It should also reduce or ease the reporting counseling organizations must produce for lenders, servicers, funders, government agencies, and boards to whom the sector is accountable.
- **Branding Matters and Data Will Help:** Additionally, not only will more robust data help us establish our value to lenders and other partners, but more importantly, it will help us “brand” counseling work and in so doing reach more customers by more effectively ‘telling our story’.
- **We Need to Embrace and Leverage Technology:** Technology innovation is accelerating and there are disruptive impacts and new opportunities to consider. The counseling sector needs to become agile enough to harness these innovations, which can help it and lenders serve and sustain more families. Embracing technology and data standardization should result in lower costs associated with the mortgage origination process, which should lower costs for consumers and support the work of housing counseling agencies that help them through their housing journey.

## Next Steps

It became crystal-clear that there is a lot of work to do and to accomplish it will require **collaboration, prioritization, communication and action**. At the same time, it will require leadership from the counseling industry to coordinate the various partners and ensure results, and a multiyear commitment by the counseling sector and our industry partners to complete this work. The next steps that arose from the discussion represent both short and long-term endeavors, and call for the counseling sector to:

- ✓ **Develop a strategic plan for the counseling industry** around the Vision statement that was issued at the Technology Convening that identifies priorities over the next several years, including:
  - Further build out and testing of the fee-for service cost framework;
  - Develop a collaborative business and resource strategy to support a multi-year vision, which includes CMS efforts around MISMO compliance and ongoing system support;
  - Explore development of a branding strategy as well as explore strategies for the counseling sector to secure connectivity and relevance with clients/customers through a life cycle of customer financial needs and stresses, in partnership with GSEs and lenders; and
  - Form a working group with representatives from the Coalition of HUD Intermediaries and other counseling entities with CMS participation to explore the development of a sector wide data analytics and data exchange processes.
- ✓ **Continue to identify the data fields necessary for the counseling industry** and understand the level of effort required by CMS providers to achieve data standardization. Complete the next phase of the counseling data field requirements fact-finding, including sharing the gap analysis tool with CMSs spearheaded by NHRC and led by David Young. Working with MISMO, bring CMS, counseling leaders and industry partners together to advance counseling data standards.
- ✓ **Engage with Lenders and GSEs to identify opportunities to move the counseling sector forward**, including supporting strategic planning and business development through participation in working groups or other collaborative efforts.
- ✓ **Work with MBA and MISMO on data standardization and lender engagement efforts** to explore recruitment of lender partners on how to inform future iterations of MISMO and explore the opportunities and challenges associated with a platform to pass data back and forth, including the build out of customer referral channels – counselor to lender, lender to counselor and servicer to counselor.
- ✓ **Engage with HUD** to ensure alignment with HUD counseling program requirements and identify opportunities presented by the FHA technology transformation.
- ✓ **Plan a follow up meeting** and expand the discussion to include other industry partners, including lenders.