

ORCF and HMAc
Monthly Call Agenda
1:00 pm PDT/4:00 pm EDT
May 21, 2018

Invited ORCF Attendees: Roger Lewis, Jennifer Buhlman, Patrick Berry, Wayne Harris

Invited HMAc Attendees: Tina Laurie, Scott Thurman, Ed Foulon

I. ORCF Topics

- a. None.
- b. Tim Gruenes did not attend since he is heading to Miami for an asset management/servicing conference.

II. HMAc Topics

- a. Who/What is HMAc (Healthcare Mortgage Advisory Council)?
 - i. A non-profit consortium of FHA-approved lenders and industry partners who are active in the financing and servicing of residential care facilities under FHA's Section 232 mortgage insurance program.
 - ii. Primary missions are to:
 1. Facilitate effective communication between ORCF and its lending partners;
 2. Partner with ORCF's efforts for continuous improvement;
 3. Provide advice and support to ORCF senior leadership and key staff;
 4. Assist in and facilitate the training of ORCF, lenders and industry partners;
 5. Coordinate with the lenders (similar to MBA) regarding new document review and other tasks; and
 6. Be proactive to meet future challenges head on and help come up with solutions that HUD can review instead of waiting for HUD to provide all solutions.
 - iii. Who are the initial members
 1. Scott Thurman, Greystone Funding Corporation, President
 2. Ed Foulon, KeyBank Real Estate Capital, 1st Vice President
 3. Angela Folkers, Love Funding, 2nd Vice President
 4. Peter Edeburn, Jones Lang LaSalle Multifamily, 3rd Vice President
 5. Tina Laurie, Barings Multifamily Capital, Treasurer
 6. Jennifer Williams, Berkadia Commercial Mortgage, Sponsorship Chair, and
 7. Raelee Jones, Wells Fargo, Secretary
 - iv. What have we accomplished so far?
 1. Received favorable feedback from 37 healthcare lenders about joining this group and polled them to determine what their major concerns are.
 2. Working with well over a dozen third parties who want to be involved.
 3. Expect a large number of participating groups with diverse interests.

- v. What we are not:
 1. Trying to replace Committee on Healthcare Finance (Rod Owens); we want to work in unison with this group.
 2. Place additional burden on ORCF (we want just the opposite).
 - vi. HUD's feedback:
 1. In favor of the group; and
 2. Make sure we are representing a number of lenders
- b. What is the purpose of this call?
- i. Initial call stating who HMAC is and what we want to accomplish.
 - ii. Start the communication between ORCF and HMAC.
 - iii. HUD's feedback:
 1. Receptive to continuing calls; and
 2. We need to stay within allotted time frame because ORCF is busy.
- c. HMAC 2018 Conference.
- i. Scheduled for October 25 and 26, 2018.
 1. Immediately following MBA's Fall Roundtable so that travel costs can be spread out.
 2. No need for ORCF to attend Regional Multifamily Conferences.
 3. Blueprint for helping ORCF to organize Kaizens, Summits, etc.
 - ii. Tentatively scheduled to be at Crowne Plaza National Airport (Crystal City).
 1. We are willing to change location and date to best accommodate HUD's schedule in 2019.
 2. Initially a 1 and ½ day event. Could expand in the future.
 - iii. Focus on education, with general industry healthcare underwriting issues as well as HUD specific topics.
 1. Major industry expert and vendor participation (if not carry the majority of the burden of training and provide the necessary resources).
 2. Less HUD direct participation (less resources needed).
 3. Different levels of training to meet ORCF and lender needs/ requirements.
 - iv. Expect 150 to 175 people to initially attend.
 - v. HUD participation is crucial, but understand the staffing and budgetary challenges.
 1. Like to see HUD staff attendance, especially GTMs and underwriters.
 2. Hopefully there will be funds through continuing resolution or budget to allow HUD to attend.
 - vi. HUD's feedback
 1. Concerned about budget, total travel dollars and overall limited HUD resources—HUD can't guarantee participation (we said that we are having the conference with or without HUD participation).
 2. Need to work with OGC to let ORCF attend, present and overage participate.

3. Roger likes breakout sessions, possibly multiple sessions going on at the same time, different levels of training.
4. Keep the topics generic enough so that we are not talking about a lender's particular deal or situation.
5. Topics
 - a. How investors come up with purchase prices.
 - b. Real impact of Olmstead Decision.
 - c. State budgetary and reimbursement issues.
 - d. Changing State reimbursement rates
 - e. Provide more information on UPL, IGT, QASP, MQIP, etc.
 - f. Lender's need to support underwriting decisions in the narrative. Such decisions need to be sufficient to satisfy the IG and others (Congress, Office of Risk Management, OGC, etc.), not just ORCF staff.
 - g. Lender development/production staff to help lender servicing staff with TPAs and Change of Operators; need to underwrite new principals and underwrite/mitigate the new risk.

- d. ORCF workload challenges/contract underwriting.
 - i. YTD applications received down from 2017 (204 vs 270)
 - ii. YTD commitment issued (186 vs 192) and loans closed (170 vs 163) are about the same
 - iii. Are there continued bottlenecks in appraisal, environment and survey?
 - iv. Understanding that Rich Harding has been hired as an appraiser
 - v. Sufficient contract funds to handle workload?
 - vi. HUD's feedback:
 1. ORCF is under a lot of scrutiny, many audits.
 2. Resources continue to be limited; have sufficient contracting.

III. Next Call

- a. 1:00 pm PDT/4:00 pm EDT
- b. June 18, 2018