

ORCF and HMAC
Monthly Call Recap
1:00 pm PDT/4:00 pm EDT
July 16, 2018

Invited ORCF Attendees: Roger Lewis, Jennifer Buhlman, Phillip Head, Susan Gosselin, Wayne Harris

Invited HMAC Attendees: Peter Edeburn, Raelee Jones, Tina Laurie

I. Follow-up items from June 25, 2018 call: **None**

II. ORCF Topics:

- a. There was a recent finding from IG about items missing included in the Consolidated Certifications were not addressed in a lender narrative. In this particular case the attachments to the Consolidated Cert included over 40 pages with a whistleblower law suit included in the attachments that was not addressed on the lender narrative. All items (even whistleblower events must be addressed in the narrative). ORCF will be revising Certifications to ensure this is understood, but this may take a while to roll out. In the interim, all consolidated certs must be sent to OGC for review. Yes, you read that right – put on your patient shoes.
- b. Wayne – has addressed the idea of creating industry group of appraisers and hold a periodic call. Would release the concept in an email blast or other medium for lenders to pass on the word to appraisers who would then email ORCF to get on the list for the calls.
- c. Timing – application processing times seem to be increasing – possibly due to applications being more complex. ORCF will try to have examples for next call.

III. HMAC Topics

- a. Conference update and preliminary agenda.
 - i. Have preliminary agenda we want to share with ORCF to get feedback and HUD panelists. Peter will forward a copy.
 - ii. ORCF requested that we invite Dana Wade and Brian Montgomery – also give them the opportunity to speak.
- b. ORCF staff and HMAC board member dinner October 24th.
 - i. Will follow-up over the next few weeks
- c. What is the status of rolling out the production portal?
 - i. Original target was a July rollout – have had Lenders do some testing – mostly 223f's and have been gathering feedback and making fixes which had impact on other areas of the portal. Issues being addressed and will roll-out with training and will then phase the roll-out. Will update as they go forward and will have more info on next call. (Brian M is a major supporter of technology use – would be helpful to mention to him that we appreciate him getting HUD IT oriented)

- ii. How is the asset management portal working? – update from Phillip Head.
 - 1. It's been successful with 6,800 submissions – only 150 still with open issues
 - 2. Upgrade - roll out in September but may be delayed with focus on the production side.
 - 3. New naming protocol to be rolled out that will be similar to production naming conventions.
 - 4. Quarterly operator statements – risk monitoring will require possible change in how information is provided. They have been lax in the past on how the information was being reported but they are changing that and may want lender volunteers to help HUD obtain more consistent information.

- d. Regarding the queue, is it first in first out? It seems like some loans get leapfrogged and other sit in the queue longer than others.
 - i. Loans over \$25MM must be processed internally so it might get skipped over as contractors can underwrite smaller deals – this also applies to small portfolios if one of the transactions is over \$25MM. – Loans of this size also require field appraiser so may be in queue longer.

- e. It is our understanding that the first \$90 million in loans of a medium or large portfolio would be reviewed by HUD and Firm Commitments could be issued prior to completion of a Corporate Credit Review. Has this policy changed? It seems like Firm Commitments, and even loans exiting the queue, are being delayed until the CCR is complete.
 - i. Still allowing up to \$90MM to be submitted. However, ORCF will look at the CCR to see if there are any portfolio-wide issues which may put the specific transactions under the \$90MM threshold on hold.

- f. What is the status of corporate credit reviews? We understand that there is no queue, but how many are being worked on and what is the expected timing of each review?
 - i. Just received two more and have been assigned.
 - ii. 5 currently in process – one is in concurrence routing, 3 active and one with a few challenges since the review is on individuals and not a company.

IV. Next Call

- a. 1:00 pm PDT/4:00 pm EDT
- b. August 20, 2018