SONYMA ADVISORY COUNCIL MINUTES		
4.19.2012	**9:30 AM – 3:00 PM**	**641 Lexington Avenue, NY, NY 10022**
Meeting called by	State of New York Mortgage Agency/NYSHCR	
Type of meeting	SONYMA Advisory Council's Fifth Meeting	
Facilitator	Doug Dylla	
Note takers	Ian Clement, Brian Hyatt	
Attendees	Appended List	

Call To Order – Openings and Council Updates	
9:30 AM	Doug Dylla, Marian Zucker and George Leocata

The meeting was opened by consultant Doug Dylla asking the members to introduce themselves, followed by a review of the role of the Advisory Council, including the Statement of Purpose and an update of the member responsibilities and terms of participation. Doug reviewed the agenda and introduced Marian Zucker to make the first presentation.

Marian Zucker, President of Finance and Development, provided the following SONYMA updates:

- Thanked the members for their contribution.
- As a result of market trends, SONYMA rate are higher than conventional market rates.
- The market has allowed SONYMA to refinance bonds when the opportunity arises, resulting in a cost savings to the Agency.
- SONYMA to launch a conventional program (in addition to the regular SONYMA tax exempt bond program), with a possible launch date of June 2012.
- The options for the new mortgage programs include an FHA program and FannieMae MyCommunity.
    - Key features for the FHA program include the use of down payment assistance, and a minimum credit score of 580.
    - Key features of the Fannie Mae program includes, the use of down payment assistance, better pricing and underwriting advantages.
- The conventional programs will not be limited to first-time homebuyers, and is seen as a way to help more New Yorkers.
- Mortgage Credit Certificates (MCCs) will be offered to first time homebuyers, and military veterans.
    - In an effort to maximize the benefit this time program will not be open to all.
    - Areas of special need (flooded areas of the Southern Tier and north Country) or with high foreclosure rates (Buffalo, Southeastern Queens) will also be considered for the MCC.

George Leocata, Senior Vice President of SONYMA then shared the following items

- New Members welcomed to the Council
    - Ken Inadomi, Executive Director of the New York Mortgage Coalition

    - Julie Symes Mortgage Consultant, First Niagara Bank.
- Also welcomed alternate participants: Greg May, Tompkins Trust Co., Amy Carpenter, M&T Bank, and Evette Monteith, HSBC Bank
- Discussed the Loan Officer Recognition Program developed by the Process Committee.
- SONYMA *Express* system will be open for testing in early May, with M&T Bank, Ulster, Nothnagle, and First Niagara among the participating lenders assisting with the testing.
- A webinar will be held the first week of May; anyone is invited to participate
- SONYMA requests the feedback of all users on the system.
- Recommended that testing be done with loans previously approved by SONYMA so that an accurate comparison can be done.

The meeting was then turned over to Duncan MacKenzie, Chief Executive Officer of the New York State Association of Realtors, for a presentation on New York State Real Estate and Market Trends.

Special Presentation	
10:15 AM	Duncan MacKenzie, Chief Executive Officer, New York State Association of Realtors

- Encouraging first quarter, as the market appears to be trending upward in New York
    - Best quarter in New York State since 2008
- The has been an increase in first-time home buyers
    - Rents are increasing throughout the State
    - More buyers are looking to close, and are coming into the market prepared to buy, with less window shopping
- Consumer confidence is high
    - In a survey done by the Siena College of the consumer housing index, indicators show positive signs on both sides, buyers and sellers
- NAR's Home Affordability index is at highest level since 2002
    - Typical family has double the income needed to purchase a new home
- Capital region has a very robust market
- Some negative market trends affecting the market include
    - Home prices are not appreciating or trending upward
    - Appraisals comparables are not as good
        - Appraisers not familiar with the market are doing problematic appraisals
    - The effects on home prices and values as a result of possible fracking in the Southern Tier
    - Effects of government passing Tier 6 pension law or the tax cap
    - Dodd-Frank Bill has proposed mandate of 20% down payment on all home loans
    - Uncertainty about the future of FannieMae and FreddieMac

Update Reports from Sub-Committees	
11:00 AM	Process Committee- Kathy Forrett, Cristina Hoffman, Julie Symes

- Kathy Forrett presented a draft of the annual Lender Scorecard
- Christina Hoffman presented an update on the Loan Officer Recognition Program
    - The 2011 Top 10 Loan Officers (statewide) have been identified

    - Top Producing Loan Officers also identified for each SONYMA Region
    - Contact information for all top producers will be added to the List of Participating Lenders Regional webpage

    - A Lender Announcement will be issued to announce the new Loan Officer's recognition program
    - A letter from Commissioner Towns will be sent to each top producing Loan Officer
- Kathy Forrett presented an update on the Committee's proposed "Meet 'n Greet" events . The three sites have been selected (Lexington Ave, Albany, Rochester) and Kathy presented an outline of the proposed agenda.
- Julie Symes, Senior Mortgage Consultant, First Niagara Bank, presented a revised FHA/SONYMA comparison chart updated to reflect the recent increase in FHA's Upfront and annual MI premiums. In addition, three new pages were added to the comparison chart to demonstrate the impact of the FHA increase on monthly MI payments as well as the amount of cash needed to close.

Additional comments included:

- Chart will be a useful selling tool for Loan Officers
- Chart can also be sent to realtors to demonstrate the monthly payment and cost savings to borrowers.
- Council members would like to have an interactive calculator added to the Comparsion Chart on Loan Officer's webpage. Doug Dylla offered to create the calculator.

Marie Cammarata, Assistant Vice President/Originations and Project Set-Aside Program Director updated the council on the SONYMA re-lock extension policy

- Policy is working smoothly
- Lender Online gives an accurate interest rate, calculator is no longer necessary
- Minimal penalties are being charged
- Pipeline monitoring by lenders has increased

Update Reports from Sub-Committees	
11:30 AM	Marketing/Outreach Committee-Gail Kresge

Gail Kresge, Assistant Vice President/Downstate Relationship Manager, presented the following updates to the Council:

- SONYMA Homebuyer Experience survey is completed
    - Customers will be contacted to participate in a survey about three weeks past closing
- Recommended a "training for trainers" for staff from participating lenders on outreach issues
- Recommended a SONYMA advertising blitz during Homeownership Month in June 2012
    - Discussed creating co- branded materials that can be displayed at events

Update Reports from Sub-Committees	
11:45 AM	AUS/SONYMA *Express*- Steve Carle

Steve Carle, Vice President of Mortgage Lending, Mid-Hudson Valley Federal Credit Union presented the following updates:

- Lender privilege worksheets were distributed and received from some of the lenders and forwarded to Overture for processing.
    - Nothnagle Home Securities, Ulster Savings, and M&T Bank among the lenders that have submitted worksheets
- Training on system set-up will be held during breakout session, with refresher training and testing to be held in early May.

Sub-Committee Discussions	
12:00 PM	Doug Dylla

Doug Dylla asked the participants to break out into their discussion groups for a working lunch and continue their sub-committee discussions to develop "SMART goals" for future work. Sub-Committees were asked to identify 1-2 SMART goals for the next six months and to identify 2-3 conference call times for their sub-committees over the next six months. SMART Goals are defined as **S**pecific, **M**easurable, **A**greed Upon, **R**ealistic and **T**ime-Based goals to meet a specific objective. The outcomes of these sub-committee discussions are listed below.

"SMART Goals" - **Sub-Committee II. Process Issues**	
2:15 PM	Jeff Needham, Christina Hoffman, Kathy Forrett (Co-Chair), Ken Inadomi, Julie Symes, and Evette Monteith (alternate). Absent: Kelly Godino (Chair), and Barbara Martin. **Staff Liaison:** Lynn Morris

Ken Inadomi expressed concern about inconsistencies in appraisal methods when large subsidies are involved in a rehab project. He recommended that appraisal training be provided on the correct method so that Lenders may choose from a pool of appraisers equipped to properly appraise these rehab projects.

The committee discussed creating a list of the primary benefits of SONYMA financing and the importance of communicating with Loan Officers on a regular basis. Frequent communication would keep SONYMA on the mind of the loan officer. This would require a comprehensive list of loan officers and their contact information.

Discussed adding a SONYMA marketing piece to the Loan Officer Certification agenda.

Discussed ways to promote SONYMA to real estate agents such as introducing SONYMA financing to new agents or marketing a continuing education course for realtors.

From their discussions the sub-committee developed the following SMART Goals:

1. Continue to develop Lender Certification Policy.
2. Develop new charts comparing 1) SONYMA and USDA financing and 2) SONYMA's Homes for Veterans Program and VA financing.
3. Develop a Loan Officer's Origination Kit with step by step instructions for originating a SONYMA loan. Kit will be posted on the Loan Officers webpage and include items such as a checklist of required information for homebuyers and a supply of marketing materials for the loan officer.

"SMART Goals" - **Sub-Committee III. Issue: Outreach/Marketing**	
2:30 PM	Nicole Mero-Dutil, Eileen Anderson, Michelle Bage, Duncan MacKenzie and Kennis Tong Absent: Ed Patane (Chair), Suzanne Raphael (Co-Chair), Denise Pandolfo, Mike O'Leary, and Duncan MacKenzie, **Staff Liaisons:** Gail Kresge, Bryan Hyatt, Craig Shannon

Committee felt that there are great opportunities to promote SONYMA now due to:

- Potential new SONYMA mortgage products that will be available soon (e.g., Fannie Mae's HFA Preferred Risk Sharing product), and
- The roll-out of SONYMA *Express* (SONYMA's new Automated Underwriting System), scheduled for release in summer 2012.

The key smart goal for 2012 would be to develop a new targeted marketing campaign by September 2012 that will promote the "New SONYMA" that is "faster, cheaper, better" than before. The marketing plan will highlight key benefits of SONYMA products, identify key target markets and messages, and propose cost-effective outreach strategies to reach these target markets.

- This campaign will highlight the key benefits of SONYMA-brand products, as well as dispel the "myths and misconceptions" of SONYMA products.

- Ideally, the campaign will identify several key target markets (both "business-to-business" markets as well as "business-to-consumer" markets). The campaign will also suggest key messages and cost-effective strategies to reach each of these target audiences.

The committee brainstormed some components of this new campaign, for example:

Key Benefits of SONYMA Products:

- Provides low out-of-pocket costs
- Allows down payment assistance loans and grants
- Reduces monthly costs with lower MIP payments
- Allows higher CLTV

Dispelling the Myths and Misconceptions about SONYMA:

- *Myth:* "The process is slow and requires too much paperwork." – *Fact:* SONYMA Express is very fast; it's a "state of the art" Automated Underwriting System and will reduce the "Days to Closing" for SONYMA products.
- *Myth:* "SONYMA costs too much." – *Fact:* Cost comparison charts will allow partners and consumers to see exactly how SONYMA stacks up to other mortgage products such as FHA and where SONYMA can provide savings to consumers.

Key Target Markets for SONYMA:

- Business-to-Business Markets
  - Lenders
  - Realtors
  - Nonprofit Counseling Agencies

- Consumer Markets
  - Consumers living in targeted geographies with LMI incomes
  - Veterans
  - Police, Fire and EMS Workers
  - New York State Government Employees
  - Consumers Using VITA Sites ("Volunteers in Tax Assistance")

Possible Outreach Strategies for Campaign:

- Develop SONYMA materials on a fast-track for use during Homeownership Month in June (perhaps leaving blank spaces so that partners could place labels on the materials to co-brand them). Focus to be placed on SONYMA's Lender partnerships with their vast retail branch network and SONYMA's non-profit relationships;
- Develop SONYMA collateral materials for the new campaign that are available online and can be co-branded with SONYMA's partners;
- Continue to promote the "Loan Officer Recognition Program" developed by the Process Committee to highlight the SONYMA's highest-producing loan officers;
- Develop a similar "Realtor Recognition Program" to highlight and recognize Realtors who have been promoting SONYMA products to their customers
- Add new fields to SONYMA Express in order to capture the names of the Realtors involved in the transactions;
- Develop Excel worksheets (or more robust tablet/mobile applications) that lenders, Realtors and nonprofit partners can use to compare the costs and features of SONYMA loan products to FHA and other competing loan products – Process Subcommittee.
- Develop stronger partnerships with nonprofits across the state who are engaged in high-volume homeownership education and lending activities; and
- Work with Employee Assistance Program providers to develop homeownership assistance programs for state government employees using SONYMA loan products.

From their discussions the sub-committee developed the following SMART Goal:

Develop a new targeted marketing campaign by September 2012 that will promote the "New SONYMA" that is "faster, cheaper, better" than before.

"SMART Goals" - **Sub-Committee I. SONYMA Automated IRS Compliance and Underwriting System (AUS)**	
2:45 PM	Steve Carle (Chair), Christine Nothnagle, Lisa Schatzel, Susannah Gillette, Amy Carpenter (alternate),Gerard Troha, and Greg May (alternate). Absent: Judy Malys and Jim Ahrens **Staff Liaison:** Marie Cammarata

SONYMA Overview of SONYMA system was presented by Susie Pline and co-presented by George Leocata.

- Handouts provided to attendees: SONYMA *Express* Case Status Screen Navigation.

<u>Overview:</u>

- Global list of SONYMA Express screens available for the users;
- Navigating the SONYMA Express system;
- Navigating the document management system (BlitzDocs).

Note: Pipeline view access is determined by the Lender when each User is set up. (i.e. Loan Officer User can only see his or her loan files.)

Note: Red data entry fields are required to run the loan decision and orange data entry fields are additional fields required to reserve the loan.

Suggestion: Vary colors used that are not in the same family.

- Quick Application/Registration Screen
- SONYMA is creating for each screen a PDF help document to explain each field and data entry requirements/formats.
- Any required entry fields (red or orange data fields), such as the Sellers Concession field cannot be blank. If not applicable, enter a "0"
- Date format is XX/XX/XXXX (user can enter the date manually or use the calendar to select the appropriate date)
- PMI premium is automatically calculated by the system at the higher of premiums charged by either Genworth or MIF. SONYMA needs to verify if the Genworth premium is based on the FICO score.
- When the User enters the property address, the system automatically identifies the Census Tract information and populates the appropriate fields (including the Target Area field) on the SONYMA Express application.
- Users must select the Add button when entering income for household members, aged 18+

<u>Run Decision:</u>

- Select the specific product (program) (this is the preferred method) or let system decide
- Check off special features such as Homes for Vets and Energy-Star
- Click on findings for details and documents required.

- TRV Transcripts: If current transcripts not available, Lender can provide hard copy of current year.
- Over income limits message: Access IRS Compliance calculator to back out income (if applicable) not used in the compliance income calculation (i.e. one time sign on bonus) or annualized (annual bonus) and recalculate income
- Findings Report

Suggestion: Move standard SONYMA compliance findings (i.e. Borrower must occupy the home within 60 days; IRS Recapture information) to a section entitled "Observations".

Suggestion: Notify Lenders if the language in a Findings Report condition is changed. (over time users become familiar with the conditions and may view certain conditions quickly, not realizing that the language/requirement was changed)

- User should still utilize LOL to view the status of a loan and to complete those forms that are not available on SONYMA Express
- Save Product Selection function does not reserve the loan. (Still have to reserve loan within 7 calendar days.)

<u>Once a Product is Saved:</u>
Access certain SONYMA forms to be printed. Mostly auto populated. Some manual data required that can be typed in on the interactive PDF. (i.e. Recapture Notification)

<u>Once Loan is Reserved:</u>
- Documents uploaded via Blitz Docs
- Specific changes that will affect the loan interest rate such as addition or removal of DPAL, change in program or term will require SONYMA to make adjustments to its back end system. SONYMA will be notified via e-mail when this occurs.

Question: Reissue a credit report - check on the cost factors. Will there be a charge for multiple runs of the credit report – i.e. new reference number only.
Answer: There is no charge if an existing credit report is reissued.

Costs involved: $38 fee to access AUS can be charged to the borrower or absorbed by the Lender. (Includes Blitz Doc fee)

<u>Uploading Documents:</u>

- Add documents via upload key and browse for file to upload
- BlitzDocs will sort documents and identify them accordingly
- Upload additional documentation required for Guarantor, as applicable

Note: You can fax documents or upload them in a PDF format if you do not have an imaging system.

- Original Note, duplicate original of mortgage, duplicate original of assignment, DPAL mortgage/note, other recorded instruments required, Recapture Notification and Mortgagor's Affidavit, Title Report must be submitted as hard copies <u>and</u> uploaded to BlitzDocs, as well.

Review Process:

- 48 hour turn time for review plus QC review performed by SONYMA
- SONYMA purchases will continue to be completed once a week
- SONYMA Transmittal eliminated
- After loan is submitted to Pool Insurer, Lender is prevented from making any further changes to the system

From their discussions the sub-committee developed the following SMART Goals:

1. Send updated Lender Privileges Workbook to the following Lenders showing an interest in test AUS system:
   - Astoria Federal Savings
   - Continental Capital Corp.
   - Mid-Hudson Valley Federal Credit Union
   - Wells Fargo Bank
   - First Niagara Bank
   - Nothnagle Home Securities Corp.
   - Ulster Savings Bank
   - M&T Bank
2. SONYMA to conduct training webinar for AUS testing on May 2 at 11am.
3. SONYMA to provide Lenders with electronic version of the AUS Error reporting Form to be sent to Susan Pline with screen shots when reporting errors. Lenders to send errors as discovered and encouraged not to wait and send at one time.
4. Lenders to begin testing of the AUS system May 2nd.
5. Conference call scheduled for late May, at 11am, to discuss statuses of error reporting and comments about the use of the SONYMA *Express* system.

Next Steps and Closing	
3:00 PM	Doug Dylla and George Leocata

In closing, George Leocata thanked all of the Council members for their attendance and participation in making the meeting successful. In consultation with Council members, Doug Dylla proposed the next meeting of the Advisory Council be set for **Thursday, October 18, 2012 from 8:30 am – 3 pm at the SONYMA offices.**

- Council Adjourned -