

McCRACKEN ADVISORY COUNCIL

NINA NOLLEY, CHAIRPERSON
 TJ ARROWSMITH, VICE-CHAIRPERSON
 KATHERINE PREWITT
 TERRY CLAY

BLAKE RUDOLPH
 DENISE PAPPU
 CHRIS FIELDER

Quarterly Meeting Summary – February 19, 2019, 4:00 pm ET

Denise Pappu – Wells Fargo
 TJ Arrowsmith – NCB
 Terry Clay – Hudson Advisors
 Blake Rudolph – Prudential
 Katherine Prewitt – HomeStreet Bank

Opening Remarks:

Denise Pappu thanked everyone for attending.

Subcommittee Updates:

Subcommittee	MAC Director	Update
Security & Compliance Meets the second Wednesday of every OTHER month at 3:00 pm. ET	Next Meeting April 10, 3:00pm Denise Pappu	Committee met February 13 th , discussed items related to regulatory compliance.
Investor Reporting Meets the first Wednesday of every month at 3:00 pm ET	Next Meetings: March 13 th , 3:00pm Denise Pappu	Enhancement list – continuing to review and work on these. Will review additional comments again
		Ginnie Mae prioritized enhancements are in 19C. McCracken has questions regarding some of the items remaining in the BRD. There will be time allotted at the end of the next meeting to discuss. If a separate meeting is needed, they will schedule one.
		The Investor Transfer – committee continues to work on finalizing the requirements and scenarios for investor transfer. Please let the committee know what investor transfer scenarios you are coming up against.
		Bonds is in Release 19B – As people begin to get into the functionality and enhancement requests or changes are requested the committee will review.
Insurance	Denise Pappu	Last meeting was at the conference. Enhancements were provided in Release 19D. As customers work with the latest and have questions, the committee will get back together.

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Subcommittee	MAC Director	Update
		Reports approved by the committee are being done and are being considered for inclusion in the next release.
Portal /APIs Meetings every 3rd Tuesday of the month 3:00 pm ET	Next Meeting March 19th Terry Clay	Web Portal committed met earlier today. This committee started in January and meets the 3 rd Tuesday of every month. It is focused on items in the enhancement list that are web related. The committee is working to whittle the list down to bite size pieces that will contain items that are useful to the general customer base. The group has good momentum with the first two meetings and is the initial planning stages of how best to accomplish goal. In today's meeting the committee also discussed the Loan Entry templates that are currently available for the Mapping Tool (MaTi). The committee would like to entertain ideas on how to improve on the existing templates.
Date Dictionary	Katherine Prewitt	McCracken has provided a prototype to the committee and that has been reviewed that with the group. The committee will be looking at the enhancement requests related to reporting and data dictionaries in the next meeting.

Subcommittees that will be launched very soon.

Subcommittee	MAC Director	Update
Rate Caps, Swaps	TJ Arrowsmith	These two committees will get started in the next couple of weeks, if not the end of next week. Rate Caps/Swaps will review the latest version of the Rate Cap component slotted for the next release as well as any enhancements requests. Reserves will review the enhancements requested via the BRD published on the MAC page of McCracken's website.
Reserves	TJ Arrowsmith	
Accounting	Katherine Prewitt Next Meeting March 11 th , 3:00 pm ET	The accounting group has been gathering basic information at the last couple of conferences and will be meeting March 11 th , at 3:00 pm to discuss enhancement requests and putting together a working structure for the committee.
Enhancement Prioritization	MAC Board	On January 11 th , Kim Cooper sent out an email to a few customers with items from the Enhancement list that were older and requested by just one company. This was a pilot attempt by the MAC Board to request confirmation of items and to introduce a format for requesting enhancements that provides more information needed to understand the request and possible solutions. If you received the list and have not responded, please do so. Noted that not all customers had items on the subset and therefore not everyone received an email.

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Possible New Subcommittee/Topic:

Short discussion regarding the Changes to LIBOR and whether there needs to be further group discussions. If you have thoughts, questions, or concerns about the discontinuance of the LIBOR indices, send a note to Kim Cooper who will compile them on and send to the MAC Board. At that point they will get a meeting together to discuss.

Subcommittee Participation:

If you are interested in participating in any of these committees, email Kim Cooper who will notify the committee chair and we will be sure to include you in the next meeting. There is a page for MAC activity on the McCracken website (<https://www.mccrackenfs.com/support-center/mccracken-advisory-council/>). This page has the calendar of events as well as documents outlining each committee's activities.

Update on Releases – Denise Ross

Release 19B, 19C and 19D are out. Denise Pappu mentioned the items included in these releases in the subcommittee updates. Right now over a third of the customer based has begun working with Release 19D.

Denise Ross explained that the three releases were staggered and provided in quick succession to be sure to get the subcommittee enhancements out to the customer base as the subcommittees completed the requirements.

The next release will be centered on two of McCracken's main priorities:

- 1) Building a foundation release for the migration of the user interface to the Portal.
- 2) Completing a number of low and medium priority defects.

At this time it is too early to project, expecting it will be late this year but until we complete our analysis phase, we can't provide a timeline. Expect updates in the next quarterly call.

Frank and Denise clarified that while the 'next release' focuses on low and medium priority defects, the High Priority defects have not and are not being ignored. The high priority fixes are handled differently, e.g. through patches, and we will continue to insure we get those high priority fixes to you as soon as possible.

McCracken Website Refresh:

Denise Ross noted that the refreshed website is available now and we have been getting some nice feedback. The refreshed site includes a chat room like feature. The new Forum is available from the left hand menu in the Support Center (User registration required). The Forum has not been utilized yet, but is available for users to begin a thread and for multiple people to comment on the thread. Note that McCracken does not monitor this site and the site should not be used as a substitute for McCracken's Support group.

McCracken just rolled out an upgrade to Heat Self Service that allows users to download a report containing all of your issues. The reporting options is available for everyone to use. Denise Pappu noted that she is very pleased with the new functionality.

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Customer Conference Updates:

The 2019 Customer Conference is scheduled for October 20th (Sunday) – October 23rd (Wednesday) at the Marriott Long Wharf Hotel. If there are topics you would like covered at this year's conference, please send them to Kim Cooper. The agenda will be posted in early July.

Dates for the 2020 Conference are also available. This event will be October 19th (Monday) – October 22nd (Thursday), 2020 at the Westin Copley Plaza hotel.

Open Discussion

Judith Ledbetter from Capital Impact asked for more information regarding the issue with LIBOR. The group explained that due to past controversies related to the manipulation of the LIBOR rates that the LIBOR rate is being discontinued in 2020. The concern is that there is no clear replacement for the popular index and that loan documents may not contain contingencies for the discontinuance of the index. As far as the positioning of Strategy for any changes, the current functionality is well positioned to support an index change, however, there may be the need to add a few fields to allow for adjustments and calculations depending on the index chosen. Currently SOFR is being discussed as the possible replacement but no decision has been made..

McCracken has links for information about the LIBOR issue, and will send them out by request.

Next Meetings:

Next Quarterly Meeting: April 16th, 2019, 4:00 pm ET

Investor Subcommittee – March 13th, 2019 3:00 pm ET

Accounting Subcommittee – March 11th, 2019, 3:00 pm ET

Portal Subcommittee – March 19th, 2019, 3:00 pm ET

Thank you all for attending.