

MAC Sub-Committee Minutes

Sub-Committee:	Investor Enhancements	
Date/Time of Meeting:	October 21-22, 2019 – McCracken Conference	
Committee Chair:	Denise Pappu	
MAC Director:		
McCracken Representatives:	Karen Peterpaul, Karen.Peterpaul@mccrackenfs.com	
*Notes Submitted by:	Karla Ferguson, Karla.Ferguson@mccrackenfs.com	
Joan Sittard	Shari Hartwell-Cook, Shari.Hartwell-Cook@mccrackenfs.com	
Attendees:	Name	Company
Various Conference Attendees		

Meeting Summary:

Denise Pappu, Wells Fargo. made introductions and told the audience the group meets every 2 months – notes, requirements documents under discussion, and meeting times are on the McCracken website for the subcommittee.

Asked the audience about any known industry changes that were being discussed within the agencies that servicers and McCracken need to know about.

- Lawrence Banton, Wells Fargo, said he has heard that Freddie Mac may have a replacement for MultiSuite but he has been told they may continue with the same file formats.
- Trimont mentioned CREFC Europe Reporting – Denise Pappu suggested that she should contact Craig Zdelais or Leslie Hayton because Wells Frago said they didn't think it was going to happen

Denise Pappu mentioned that the listing for Investor Enhancements Work in Process with be reviewed on the next Mac subcommittee call – January 8, 2020, 3:00 pm ET.

Topic changes to a reviewed the statistics of the work that has been done – most have had the requirements completed

36 items

12 in current release

Jobs have been prioritized

Subject of **IR Bonds** was discussed. Lawrence Banton, Wells Fargo, discussed items found working with Bonds –

- Additional clarification is needed on fields and what Strategy will need for these fields
- Bond Billing – Wells Fargo has many fields that go on the statement and they need to make sure they can provide to the customer
- No reporting available – needs an upload file to Multisuite for Freddie Mac
- No reporting available – needs an upload file to CESIR for Fannie Mae
- Needs more detail on fees for interest due, not sure if it has enough detail

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- Bond fees are posted to Miscellaneous Receivables however they need the money to be posted to the P&I account at the Investor level not Corporate Cash
- Principal Reserve Fees are held by Trustees; the payments need to be reflected when received as non-cash items
- Has had Portal issues with field pop ups and hints file; also has had problems with latency
- Limited Documentation provided; however, he has received more but has not had a chance to review yet
- Lawrence is going to work with McCracken after the conference
- Lawrence will have more to report during the next call – scheduled for January 8, 2020.

Subject of **Investor Transfer** discussed

- Denise Pappu and Raechel Koh, Wells Fargo, discussed the formatted spreadsheet that was put together for examples. Stressed that all participants should submit, review and provide examples and expected results
- Trimont has 4 new scenarios that they need; when they do repo lines; need to split the interest between parties, true up stub interest. Interest may belong to prior period for old lender or split interest to multiple lenders
- Need to have a variable interest purchase date i.e.: 15th of month and use interest purchase date to split the interest. Wants to have the physical cash received split.
- Problem that you cannot backdate an Investor Transfer to a previous year. This is especially problematic if it is January 3rd and you need to go back to prior year. Also a problem for JPMC. Denise Pappu brought up the fact that it could have ripple effects for reporting – McCracken needs to have scenarios of how to fix remittances, cutoffs and balances in these situations.
- Bulk Upload – may need additional fields. JPMC needs to have bulk upload for repurchases and needs to go back to prior year – especially when they are delinquent and need to go to a previous rate
- JPMC needs to have functionality on the bulk transfer that allows for participation
 - Internal to External works (D1 and D2)
 - Need to have the Internal to External for the Agency loans to work with investor Transfer. Prudential also has a need for this
 - Trimont needs the investor transfer to take into consideration the balance remaining for not fully funded loans instead of the current balance

Denise asked about SOFR and whether or not it had an impact on Investor Transfer. The group did not think so.

JPMC has issues with Participated Sales – selling to an external investor for a slice of the loan

Investor Fee options discussed –

- Service Fee and Guaranty Fee needs to go to Ginnie Mae, not Corporate Cash.
- Need to have the flexibility of all fees to go to separate DDA and Banks

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- Strip Fees – McCracken asked what if the total fees are greater than the Investor's interest – how do we handle? No response was provided

Ginnie Mae Construction Loans

- Denise Pappu said this was put to the end – timing
- Still working on scenarios
- Biren at Prudential brought up Ginnie Mae advancing - needs an updated copy. Denise said the item was published on the website on Oct 16th

Future Topics:

- Bonds
- Default Interest – Default interest needs to go to Principal and Interest accounts not Corporate Cash
- Biren brought up fees of total commitment to Investor – fee calculation needs for outstanding commitments

Follow-up

Customers:

- Investor Transfer scenarios should be completed using the template provided and sent to McCracken.
- Review Ginnie Mae BRD Open Questions on the Website and get comments back to Karla: (<https://www.mccrackenfs.com/support-center/mccracken-advisory-council/>). Select Investor Enhancements, Ginnie Mae Servicing, General Documents & Requirements.
- Ginnie Mae Construction – scenarios requested

McCracken: