

McCRACKEN ADVISORY COUNCIL

NINA NOLLEY, CHAIRPERSON
TJ ARROWSMITH, VICE-CHAIRPERSON
DENISE PAPPU
TERRY CLAY

CHRIS FIELDER
BIREN MAHENDRAN
KENDRA GERMAN

Quarterly Meeting Summary – January 21st, 2020, 4:00 pm ET

Nina Nolley - VHDA
Denise Pappu – Wells Fargo
TJ Arrowsmith – NCB
Terry Clay – Hudson Advisors
Biren Mahendran – Prudential
Kendra German – Capital One
Chris Fielder - CBRE

Agenda:

Updates on the LIBOR to SOFR Transition
McCracken University
Release Updates
MAC Subcommittee Updates

Updates on the LIBOR to SOFR Transition

Denise Ross noted that McCracken has been participating in the ARRC and LSTA discussions related to the transition from LIBOR to SOFR. We have provide position papers recently outlining our readiness to support the transition. Just to reiterate, the ARRC has outlined four rate methodologies, and Strategy supports the first three today. The compounding in arrears functionality will require us to modify our compounding functionality, and we are awaiting final decisions from the ARRC on the calculation. We are planning on providing an update at the end of the 1st quarter (March timeframe) to address the changes needed. Denise Ross also thanked everyone for taking a few minutes and answering the quick survey regarding your company’s position on SOFR adoption.

McCracken University

Denise Ross also provided information on McCracken’s new McCracken University. This concept will include webinars once a month providing high level education on different topics of interest. The first topic is How to Use Strategy to Transition to SOFR, the second topic to take place in February (2/13, 1 pm ET), will be Process Manager.

Release Update

As noted we will be putting out a small update in the March timeframe with the changes to support SOFR. There will be only one other change in the update to minimize your efforts to test and accept the release. That change, also related to adjustable rate loans, is the ability to accept a negative index rate in the system. This change will recognize the index is negative, but will not let the interest rate fall below zero.

Release 20 contains fixes and small enhancements. The Work In Process listing shows the jobs that are currently slotted for the release. The release does have some file changes and there is information on the website to outline what those are.

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Subcommittee Updates:

Subcommittee	MAC Director	Update
Investor Reporting Meets the first Wednesday of every month at 3:00 pm ET	Next Meetings: March/April depending on need Denise Pappu	Last Meeting January 8th Focused on needs for GNMA BRD Request out to get scenarios documented by 2/28/2020 Send information to Karla Ferguson
Security and Compliance Meets the second Wednesday of every other month at 3:00 pm ET	Next Meeting TBD Denise Pappu	Last meeting at conference.
Portal Enhancements Meets third Tuesday of every month at 3:00 pm ET	Next Meeting February 18 th , 3:00 pm Terry Clay	Last meeting at conference

Subcommittees that will be launched very soon.

Subcommittee	MAC Director	Update
Rate Caps, Swaps Reserves	TJ Arrowsmith TJ Arrowsmith	The committee to discuss Rate Cap needs and the changes for Reserves will kick off shortly. An email will go out in the next week or so.
Borrower Inquiry	Denise Dosh/Denise Pappu	The committee is scheduled to meet on January 22 nd , at 1 pm. If you're interested you can let Kim Cooper know. Next meeting is February 19 th at 2:00 pm
Reporting	Biren Mahendran	Biren will be setting something up next month.

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New Subcommittee/Topic:

Negative Interest Rate – in addition to the ability to record a negative index rate, there is some concern, especially for foreign loans, that the interest rate could also go negative. The MAC board has suggested that we have a subcommittee to discuss what would have to change in Strategy to support a negative interest rate. This committee will start in February. If you wish to participate, please let Kim Cooper know. Meeting February 13, 3:00 pm ET.

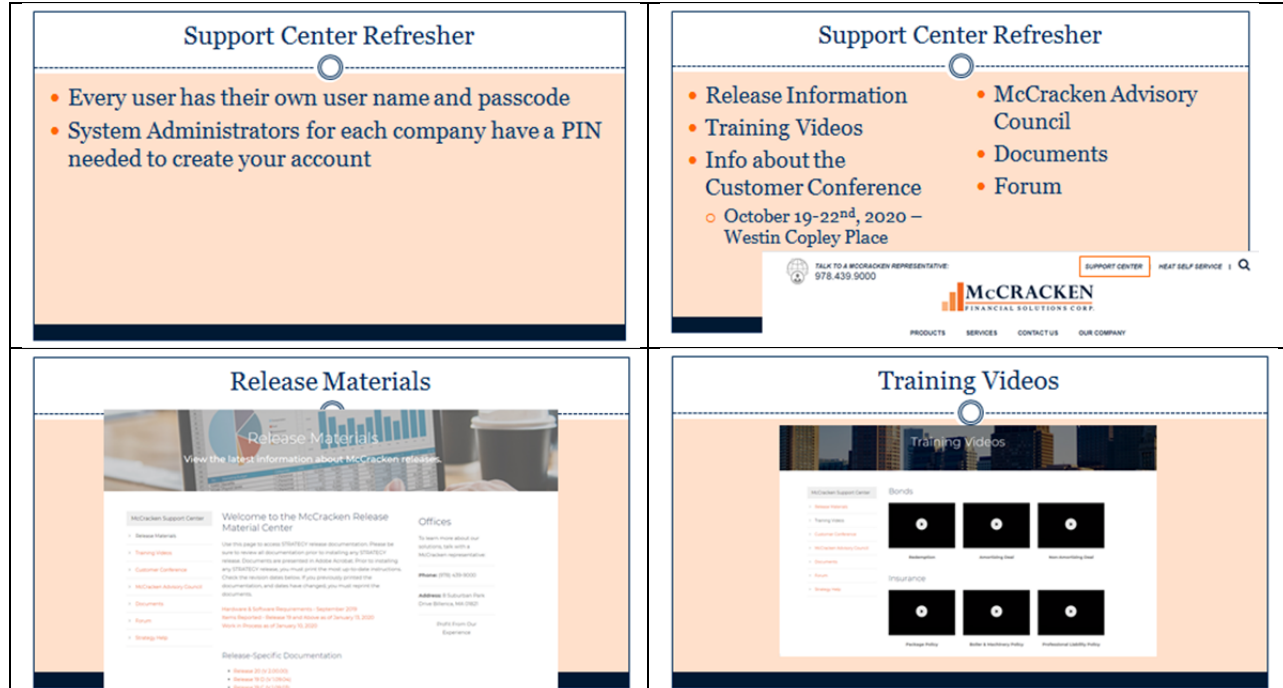
Subcommittee Participation:

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.

McCracken Website Review:

Kim Cooper did a review of the Support Center portion of the McCracken website. Important points included:


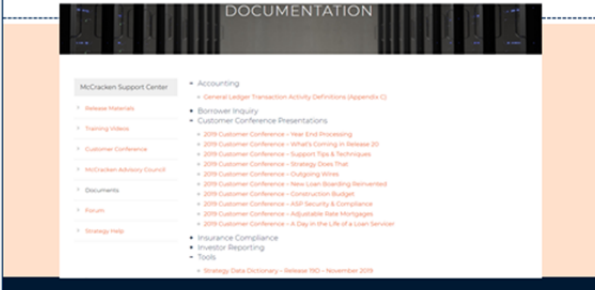

- Work in Process – McCracken Advisory Page
- Where to find information on Release 20 – Releases page
- Where to find MAC information – Minutes and Scheduled Meetings
- Documentation – Conference Presentations and Booklets on various topics
- Videos – Training videos



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<h3>McCracken Advisory Council</h3> <ul style="list-style-type: none"> • Subcommittee Minutes • Requirements Documents • MAC Directors • Calendar of Events 	<h3>Documents</h3> <p>DOCUMENTATION</p> 
<h3>Work in Process Listing</h3> <ul style="list-style-type: none"> • Updated monthly • Job is published on the WIP once development begins • Jobs assigned to a release are tagged for the release. 	

Open Discussion

Next Meetings:

Next Quarterly Meeting: April 21st, 2020, 4:00 pm ET

Thank you all for attending.