

McCracken Advisory Council

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

CHRIS FIELDER
BIREN MAHENDRAN
KENDRA GERMAN

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

Present during Roll Call:

| | | |
|------------------------------|---------------------|---------------------------|
| Nina Nolley - VHDA | CBRE | Mountstreet US |
| TJ Arrowsmith – NCB | Columbia Management | National Cooperative Bank |
| Terry Clay – Hudson Advisors | HomeStreet Bank | ORIX Real Estate Capital |
| Chris Fielder - CBRE | Hudson Advisors | Santander Bank |
| | Keybank | VHDA |
| | Midland States Bank | Wells Fargo Bank |

Agenda:

McCracken University
Release Updates including SOFR
MAC Subcommittee Updates

Nina Nolley welcomed everyone and thanked everyone for attending. She noted that although they realize that everyone is busy with dealing with COVID-19 related items, that it would be important to provide a short meeting to give customers the opportunity to get answers for any questions they may have.

Nina noted that during this very busy time, they have suspended any subcommittee activity. Subcommittees will begin meeting again when things have settled down.

McCracken University

Nina also thanked McCracken for extending McCracken University and providing the ongoing series of webinars on Payment Deferrals. The webinars are an excellent extension of the conference. These webinars are an excellent review of available functionality and they have been widely attended. Frank McCracken added that we do understand the additional work that the legislation has caused and that we want to do whatever we can to help.

Release Update

Release 19E – Negative Index Rate

Release 19E is ready. You should have all received the announcement. This is a very small release containing one small change to support negative and zero valued index rates. This work was completed and slotted for Release 20, but many customers indicated that given the current market conditions, the functionality may be needed sooner rather than later.

Release 19E does include a client deployment to support the entry of negative and zero index rates. Release documentation is available in the Support Portal from the Release Materials page. The release is an optional release available above Release 19D. Customers with no need to implement a negative or zero index rate now may skip the release and install the change with Release 20.

SOFR Patch

As mentioned many times, Strategy supports three of the four rate methodologies recommended by the Alternative Reference Rates Committee today. We will be providing a SOFR patch to Strategy that will provide new Adjustable Methods to support compounding in arrears. This patch is projected for a June timeframe. We continue to move forward with both the compounding in arrears formulas proposed while we wait for a definitive methodology from the ARRC.

This SOFR Patch will be available at Release 19D and Release 19E. Please contact Customer Support if you need to discuss plans to come forward or make alternate arrangements.

McCracken will be sending out a SOFR questionnaire in the near future to determine who expects to be processing loans using the compounding in arrears rate methodology. We have some functional questions that we would like to discuss with those planning on using compounding in arrears.

Use Cases outlining the ability to service loans using Daily Simple SOFR or any of the proposed SOFR term rates are available on the SOFR Patch page available from the Release Materials page of the Support Portal. Users can use these Use Cases to test the existing features in Strategy that are applicable to servicing Daily Simple SOFR, Compounding in Advance Term Rates or Forward Looking SOFR Term Rates. Look for additional Release Information under Release Materials as we finalize the release contents.

Release 20

Release 20 contains fixes and small enhancements. The Work in Process listing shows the jobs currently slotted for the release. The release does have some file changes and there is information on the website to outline what those are. Preliminary release documentation with the expected file changes is available from the Release Materials page of our website. As we get closer to the release additional, documentation will be provided. We are still anticipating a fourth quarter 2020 release, but expect that most customers will not be able to entertain an upgrade until sometime early 2021.

Release Materials

View the latest information about McCracken releases.

McCracken Support Center

- > Release Materials
- > Videos
- > Customer Conference
- > McCracken Advisory Council
- > Documents
- > Forum
- > Strategy Help

Welcome to the McCracken Release Material Center

Use this page to access STRATEGY release documentation. Please be sure to review all documentation prior to installing any STRATEGY release. Documents are presented in Adobe Acrobat. Prior to installing any STRATEGY release, you must print the most up-to-date instructions. Check the revision dates below: If you previously printed the documentation, and dates have changed, you must reprint the documents.

Hardware & Software Requirements - September 2019
Items Reported Release 19 and Above - As of April 10, 2020
Work in Process - As of April 10, 2020

Release-Specific Documentation

- Release 20 (V 2.00.00)
- SOFR Patch
- Release 19E (V 1.19.05)
- Release 19 D (V 1.19.04)

Archived Release Information (Prior Releases)

Offices

To learn more about our solutions, talk with a McCracken representative:

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www.mccrackenfs.com>Support Center>Log In>Support Center>Release Materials

SOFR Forum

Denise Ross took the opportunity to remind everyone that the Customer Forum on SOFR has been moved to May 21st at 2:00 pm. This forum is to discuss what McCracken can do to assist with expediting the transition of your LIBOR loans to SOFR, e.g. providing a Mapping Tool template or Navigator to assist.

Open Discussion**Next Meetings:**

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

Everyone stay safe and healthy! Thank you all for attending.