

McCracken Advisory Council

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

CHRIS FIELDER
BIREN MAHENDRAN
KENDRA GERMAN

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

Agenda:

- SOFR Update
- Release Updates
 - Release 20
 - Vulnerability Patch Releases
- Conference
- Web Site Changes
 - Videos that are available - McCracken University
- Virtual Tape

Denise Pappu welcomed everyone and thanked everyone for attending. Denise said that except for the Borrower Inquiry subcommittee meetings, all other subcommittees have been on hold due to activity related to COVID-19 and that they hope to be able to start subcommittee meetings back up in the fall.

New McCracken Support Representative

Nancy Wilkes joined the meeting to introduce a new Support Representative for McCracken. Leo Firmin joined McCracken and will be starting to take calls in the next week or two. Leo has a great deal of industry experience particularly in the area of Fannie Mae reporting. She worked with McCracken closely at a prior McCracken customer.

Release Update

Release 19E – Negative Index Rate

McCracken recently sent an announcement out about Release 19E. This is a very small release that allows Strategy to recognize a negative index rate. Many customers expressed a need to have that change sooner rather than later. This change while allowing a negative index to be entered in the system, will not allow an Interest Rate less than zero.

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 Update

The SOFR Update will be available above Release 19E. The release will contain changes to support compounding in arrears. As noted before Strategy supports use of Daily Simple SOFR, and the use of published SOFR index rates with 30,60, and 90-day tenors. Working closely with the ARRC we have been waiting for them to designate which of the two calculations for compounding in arrears would be recommended. Both methods were developed as we waited. In the most recent news from the ARRC they determined that they would not recommend one calculation over the other and we are not

extending our testing efforts across both methods: compounding the rate or compounding the balance. Estimated release date for the compounding in arrears functionality is end of August.

We have checked with the customer base to determine who if anybody is contemplating the use of the compounding in arrears calculation and we have a few customers who will be using it. We are going to work individually to review the functionality with them.

An updated document based on the SOFR Conventions Matrix published by the ARRC with information on how to use Strategy for the recommended conventions will be circulated soon.

Yearend Changes

Just a quick note that there will be changes to support reporting for the 1099Misc, and 1099NAC. There is more to come. Changes will be in Release 20 along with being compatible with the changes in Release 19E and the SOFR Release.

Release 20

We are still looking at the end of the year for Release 20. For those of you that are interested in getting a jumpstart on reviewing the content of the release, you can download the Work in Process listing from the website. Jobs are coded with Release 20 if they are slotted for the release.

Just to touch on a few of the highlights there are many more fixes slotted for the release:

Ginnie Mae RFS reporting will be moved from green screen to the web. There are some enhancements to the functionality.

Multifactor Authentication will be added to the web components. This functionality will be optional for each customer.

Process Manager enhancements include the ability to use business calendars in your workflows.

Rate Cap Widget has been enhanced

Loan Sets will be available. This feature allows you to limit the loans a user can see opening the potential for you to allow third-party access.

Changes and enhancements to the **Investor Reporting Package**

Wire Capability – this feature will require you to contact support if you are interested in implementing it.

Deferred Income/Expense enhancements

General Ledger Expansion – expanded field sizes for greater flexibility in GL reporting. Information is available on the website about this change.

Delinquent Aging at the Loan Level – ability to report on the number of times loans have been delinquent for each delinquency duration 30, 60, or over 90 days.

Additional Address Templates have been added.

Enhancements to **Borrower Inquiry**

Ability to enter and update **latitude and longitude information** via the interface.

Ability to **copy an existing Collateral record**.

Application Vulnerability Patch Releases

We are going to be adding to our release schedule. With each Strategy release, we scan and patch the Portal to remediate any identified vulnerabilities. What we are finding is that the next Portal release is not soon enough and when organizations run their own scan, vulnerabilities are identified. We are going to implement a plan to periodically scan the current general release and prepare vulnerability patches that can be applied in between releases. More information will be coming regarding our Application Vulnerability Patches.

Vulnerability Patching – Server Level

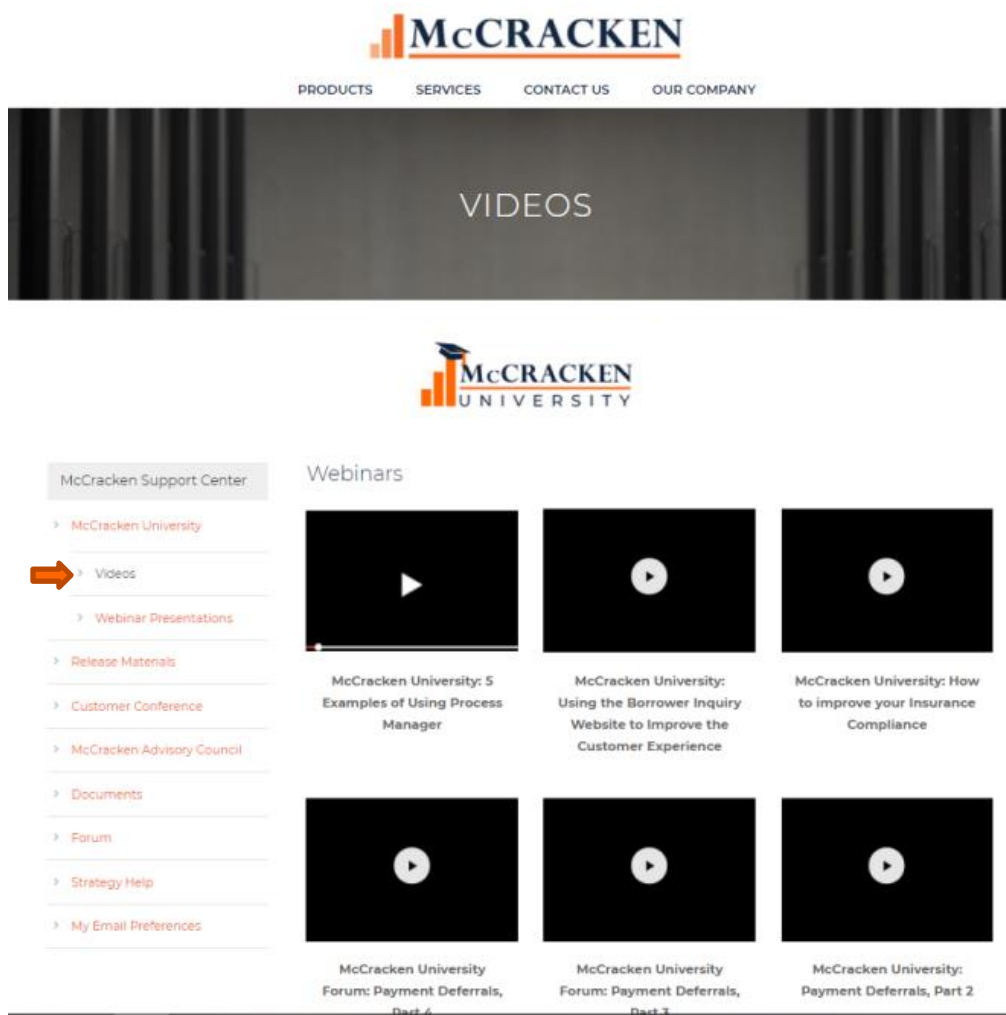
You will be receiving a notice shortly regarding the patching of the LINUX and Windows servers supporting the web environment. We are finding the same issue that vulnerabilities are being identified more frequently and the monthly patching cycle will allow us to remediate these items more quickly.

- ASP Test Environments will be patched on the 3rd Sunday of every month between 1 and 3 am, ET.
- ASP Production Environments will be patched on the 4th Sunday of every month between 1 and 3 am, ET.

The Power 9 back office server does not require patching as frequently, its patching schedule will not change.

Website Changes

Kim reviewed the changes made to the web site in June to make it easier to locate McCracken University materials. The videos available were reviewed pointing out the how-to videos available for Insurance Compliance and Bonds, as well as the McCracken University webinars that have been held this year.



www.mccrackenfs.com/support-center/mccracken-university-videos (User ID and Password required)

Conference

Kim also confirmed that we will be having a virtual conference this year. We will be using WebEx meetings and registration much like the Forbearance and SOFR forums held earlier this year. The sessions will be held the week of October 19th and will begin on Monday with our typical General Session and MAC Meeting. Any suggests related to sessions you would like to be part of the conference or in the timing of sessions are welcome. Our original thoughts were to spread the sessions out across the week, rather than trailing them one after another. We were wondering whether customers had a preference, given that the virtual forum will provide some flexibility in the program. We are expecting to post the agenda early in September, so please send your thoughts on schedule and content to Kim.Cooper@mccrackenfs.com.

Notice on Virtual Tape Libraries

We recently sent out a notice about a new technology we are testing called Virtual Tape Libraries. With this new feature we can offer a 3rd Disaster Recovery option that is a hybrid of our standard tape recovery option and our Premium Hot Site recovery option. The new offering will backup Monday – Friday to virtual disk which will then be replicated to our DR Center in Franklin , TN. This will cut the recovery time objective from 48 hours with our Standard Tape Recovery to 24 hours. In addition, the Virtual Tape backup is faster to backup and restore libraries and eliminates shipment of daily backups to Iron Mountain. Having the Virtual Tape Library replicated to our recovery site eliminates the transportation of tapes for recovery, as well as also making sure that your entire daily tape rotation is available during a disaster situation. Denise Ross encourage everyone to consider the option and let us know if you have any questions.

Open Discussion

Denise Pappu asked when the Smart Spreadsheet would be ready for testing. She has had questions from different people. Denise Ross said that the new spreadsheet for boarding loans includes several features designed to simplify the boarding of loans using a spreadsheet and uploading the data similarly to the Mapping Tool. McCracken is actively testing now, if customers would like to start working with the Smart Spreadsheet they can, please give us a call.

Next Meetings:

Next Quarterly Meeting: Monday, October 19, time to be determined.

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