Release 20 Summary

Release 20 is a collection of jobs to increase automation, make the system easier to use, meet industry changes, and continue our efforts to migrate the system to Browser-based tools. These enhancements and changes include the changes offered in Release 19E and Update 19F. If you have not yet updated to one or both of those Releases, Strategy Release 20 can be installed above 19D, 19E or 19F. The following provides an outline of the changes incorporated into Strategy with Release 20.

Increased Automation

As the industry demands more monitoring and documentation related to servicing and asset management, organizations are looking for more and more ways to collect the data they need, and schedule, track and memorialize actions. McCracken continues to add automation to Strategy to streamline a user's day-to-day activities while ensuring that you have a complete loan history in a single system of record.

- Enhancements to Rules Maintenance and Process Manager assist with communication and monitoring throughout the system.
    - Companies can now define a business calendar to be used to count business days instead of Calendar days when calculated estimated due dates for assigned Processes and Tasks.
    - A new Process Metrics widget analyzes activity using Process Manager and provides a Summary of Processes, Tasks, and Resource Usage by Process Type.
    - Rules added to assist with monitoring the portfolio in these areas:
        - Adjustable Rate Reviews
        - Insurance requirements for Fannie Mae and Freddie Mac loans
        - Rate Cap and Hedge Agreements, expiration and triggering events.
    - Emails notifications from the Intelligence Engine will include the Loan # and Name in the Subject of the email.
- Strategy can now send consolidated insurance letters that contains all the coverages and/or modifications needed to satisfy your compliance needs on a specific policy. Use the Insurance Compliance module to analyze insurance and when Rule Alerts are received then click the Generate Consolidated Letter button. Users select the template from an available drop-down, and click to preview or send the letter via email. Consolidated letters are also available for Expiration Letters as well, sending a single letter an agent listing all the policies that are about to expire. Users can choose to send a consolidated letter to an agent, a borrower, or both.
- A new Syndicated Notices feature automates the creation of 8 different notice types for a Loan, Deal or MCA from Strategy with the click of a button. The Notice can be previewed on screen in a spreadsheet or generated and sent automatically via email.
- Strategy's New Loan Entry Spreadsheet streamlines the entry of loans into the Loan Entry module. The McCracken provided spreadsheet incorporates tools to streamline entry and enables users to collect information as it becomes available.
    - The spreadsheet incorporates System Information values and provides field level text and descriptions to help users to enter data quickly, accurately, and consistently.
    - The ability to define Loan Profiles will allow users to prefill fields for loans that have the same characteristics.
    - When the data entry is complete, Strategy's MaTi uploads the data into loan entry with a single click of a button.
- A new Widget in the Portal allows users to track and review individuals who have been validated against ACHECK. The new widget allows users to record the date and ACHECK result for the Borrower, Key

Principal, and Principals on loans. A new MaTi Template will allow users to upload the date and ACHECK result from a spreadsheet that contains the individual's TIN/SSN, ACHECK date and 1 character ACHECK result.

- Standard APIs incorporated into the system:
  - Strategy now incorporates an API to upload index rates to eliminate manual daily entry. The API will validate against Strategy's System Information file to ensure Index Rate is defined, against System Control to make sure that the Index Rate is within stated operating rates defined, and that the Index Rate for that Index and date does not currently exist in the file. All API updates, deletions and additions are tracking in File Maintenance.
  - A new FEMA widget compares a live API feed from FEMA containing counties affected by disaster declarations against properties in the Portfolio to quickly identify potential issues. Drill down capabilities in the widget allow you to make note of insurance coverages held on a property located in an affected county.
  - A new Financial Statement API will allow users to import operating statement information into Strategy from another system. This allows users who have separate systems for operating statements to upload operating statement information into Strategy for complete investor reporting.
  - Strategy now has an API that will integrate with Freddie Mac's Property Information. The new feature transmits the Operating Statement Analysis Report information for single or multiple loans.

Continued Migration to Web Technologies

The following features and utilities are now available in the Portal:

- Asset Management – the following tabs are now available in the Portal for entry and update.
  - Appraisals
  - Environmental
  - Liens
- Other Collateral – the following tabs are now available from the Portal.
  - UCCs
  - Other non-real estate collateral, and
  - Letters of Credit.
- Investor Processing – the following green screen options are now available from the Portal.
  - Ginnie Mae - WHFIT Reporting
  - Ginnie Mae - RFS Processing including the following menu options:
    - GNMA Loan Key Maintenance
    - GNMA Additional Pool History
    - GNMA Loan Maintenance
    - Create GNMA RFS Reporting File
- Strategy Utilities – the following Strategy Utilities are now available in the Portal.
  - Clear File Locks
  - User Information Maintenance
  - Security Maintenance

Strategy CS and Web Portal Interaction

To create a fluid work experience between system features, Strategy will now support the following:

- Users sign in once, opening both Strategy CS and the Portal session for the User's Job Function.
- Process Tasks can now integrate with Navigators in Strategy to provide clear communication of what needs to be done and how to complete that task. Create a Task in the Portal and use the Integrated Module option to call a Navigator defined in Strategy to perform that Task. The Task, when assigned, appears to the user in their Process &

Task queue. Clicking the green 'Go To' button in their Process and Task queue directs the user to the first Strategy screen in the Navigator. In the Navigator, users have access to user-defined instructions on how to complete the Strategy screen.

- A new Strategy widget in the Portal will allow you to move quickly to the Asset, Escrow, Loan Administration, Billing, Investor, New Loan Entry, or Transaction modules with a click in the Portal. The module will open with the Loan Number currently active in the Portal.

Other Enhancements
The following changes represent feature specific enhancements.

Adjustable Loans
- Enhancements to support a Negative Index Rate in Strategy was offered in Release 19E.
  - Controlled by a System Control setting, Index rates shown in Adjustable Loan Info, Rate Review History, and Index Rates can display and store a Negative Index rate.
  - When performing rate calculations, Strategy will use the Negative Index Rate but will not allow an Interest Rate less than zero.
  - Changes were also made to the programs to support rounding when an index rate is negative.
- Update 19F contained enhancements to support rate calculations using two different compounding in arrears calculations recommended by the ARRC.
  - New Adjustable Methods were added to the Adjustable Loan module to incorporate the new calculations for compounding in arrears as well as the ability to include a spread adjustment in the calculation, if necessary, for a transitioning loan.
  - A new widget displays the daily components of the compounding in arrears calculation to assist with interest accruals
- As companies prepare for the cessation of the LIBOR rates, changes may be required to the Adjustable Loan Information settings to allow for the transition to a different rate Index. Update 19F also contained an enhancement to the Pending Adjustable Loan Changes. This Strategy feature allows users to schedule changes to adjustable loan parameters to occur on a specific date. Fields were added to this feature to incorporate changes for the transition. A new MaTi template was created to support the update of this information, so scheduled changes can be added to a spreadsheet and uploaded in batch.
- Two fields have been added to the Pending Adjustable Loan Change file to support Freddie K Hybrid ARMs with the ability to pre-scheduled the change to a Floating Rate period after an initial Fixed Rate period. Users can now include the P&I Change Date and the P&I Amortization Date in a Pending Adjustable Loan Change record.

Asset Management and Collateral
Release 20 provides a number of enhancements and changes to Asset Management functionality.

- The new Entity Diagram feature ("Bubbles") available in Portfolio Analysis provides a graphical interpretation of the relationships between entities (borrowers and guarantors), loans, properties, and investors to help provide a better understanding of the exposures in your portfolio.
- A new Collateral 'Copy' feature will allow users to copy existing real estate collateral record for easy setup of similar properties. When the button is selected, a new collateral record is created with a Unique Collateral ID. All other field values are the same as the original collateral record. Users can modify the appropriate fields to create a new collateral record.
- The Collateral widget has been modified to allow users to enter, update and view Geo Codes for latitude and longitude to pin-point a properties location and assist with identification of special hazards and regulatory compliance.

- In the Collateral, General Info section, the Property Measured In field now includes additional options for Acres, and Sq. Meters. Sq. Feet, Units, and Units and Sq. Feet (Mixed Use) remain options for selection.
- Fields were added to Rent Roll's Unit Mix to allow better tracking of the price, sale and proceeds associated with the sale of individual units.
- The Financial Statements widget now allows users to select multiple Financial Statements and export them to a spreadsheet for further review and analysis.
- A new field added to Financial Statements tracks the number of resident days in the statement reporting period for Financial Statement forms dealing with Health Care facilities.
- Users defining OSAR type reports for their user defined Form Types can now include DSCR and exclusion comments in their analysis reports.

Escrow Module Processing

Rate Cap Hedge Tracking

- A new Rate Cap/Hedge Widget tracks the terms and expiration of Rate Cap and Hedge agreements associated with a Loan.
- Historical Bank Ratings from multiple rating agencies can be stored for each Bank Vendor.
- Rules added to the Intelligence Engine take the designated action when:
  - Pay Rate meets or exceeds the Threshold Rates
  - Agreement Expiration is Pending or Past Due
  - Revaluation is pending
  - Spring Cap Index is reached, or
  - Bank Ratings are insufficient.

Tax Processing

Strategy now supports the use of more than one outside Tax Service vendor in the same portfolio. The following companies now support the upload of taxes information into Strategy:

- CoreLogic
- American Realty Tax
- National Tax Service

Insurance Compliance

McCracken continues to enhance Strategy's Insurance Compliance module.

- Incorporated a tool to read PDF Accord 25 files and import the insurance policy information.
- New rules added to monitor for Freddie Mac and Fannie Mae insurance requirements.
- The Portal allows for the creation of consolidated letters to send one letter to the agent, borrower, and/or property manager regarding insurance compliance remediation and policy expiration.
- Strategy now has an Insurance Analyst field
  - The field assists with the assignment of tasks and creation of Loan Sets for insurance analysis.
- New reports added to assist with managing Insurance Compliance:
  - Loan Requirements and Compliance Details
  - Waivers
  - Total Deficiencies
- Continuously adding additional coverages as needed:
  - Commercial Crime and Errors &Omissions Coverage
  - Updates to Business Interruption and Loss of Rents Coverages to include Pandemic Coverage

Investor Processing

Several Investor Processing enhancements are incorporated into Release 20.

Ginnie Mae Enhancements

- WHFIT processing moved from green screen to Portal
  - New flag added to Stop Reporting of MDF so that Pools can be included in WHFIT reporting regardless of the MDF value. Currently Strategy only includes the Pool until after the first time MDF = '1'.
- RFS reporting has been moved to the Portal.
  - Enhancements include a new field to support a larger FHA/Rural Dev Case #
- Changes to Ginnie Mae Pool History records to store the correct balances when there is a FIC Adjustment being reporting in Section 1-C of the 11710A.
- New MaTi template to support the import of the new FHA/Rural Dev Case# and Ginnie Mae Loan Key into the Investor Master Additional Info file (PIMSTADL).

Bonds

- New option to create catch up bond receivables which can incorporate a receivable from a prior period.
- Changes to Bond fee calculations providing additional balances to be used as the basis of the calculation:
  - Current Bond Deal Balance
  - Current Principal Reserve Fund Balance.
- Incorporate the Bond Information Bank and DDA# into ACH for disbursements.

Investor Transfer

- Update programs to allow transfers to a buying investor that is not Investor Daily Remit.
- Changes to Bulk Investor Transfer to upload from Office 2016 worksheets.
- When System Control Accounting settings indicate that the portfolio is reporting to NAIC, Investor Transfer will no longer create Accrued Interest entries (BH and ZH).

Investor Reporting Package

- Incorporated new fields and System Information codes to support 3 new reports incorporated into the reporting package
  - **Loan Setup Report**
  - **Special Servicer Loan Report**
  - **Special Servicer Property Report**
- Performance, security patches and file clearing improvements were made to the widgets and reports.
- Changes made to 3 widgets and 8 reports to clarify or correct field values.

Widgets

  - IRP Widget changed to make it easier to select the appropriate Investor and to allow users to request more records in online view. Investor Role will be display only.
  - Loan Reporting widget is now able to store Trustee Loan # (15 Char) and Originating Investor Loan # (5 digits). Fields will be added to the MaTi template and they will be available for various reports. All other loan number fields within the Loan Reporting widget, with the exception of the Strategy Loan number (9 digits) will be expanded to 15 digits.
  - The Servicer/Special Server comment fields in the Master 2 widget have been expanded to accept up to 255 characters.

Changes/Enhancements to IRP Reports

  - **Loan Periodic Update**

- - Property Status derivation modified as it relates to released and defeased properties, and new defeasance code added ('xxx – not allowed').
    - DSCR fields (both NOI and NCF) expanded to 17,2 and will be marked as 'N' not show blank if there is no data.
    - If there are multiple properties, all appraised values will be totaled even if 'as of' dates are not the same.
    - Change to exclude Special Transfer Dates when record has a Delete Transfer Date value.
  - **Property File**
    - Property Name derivation changed to collect data first from IRP Property Name if not blank.
    - Updates to Property Condition field to insure populated correctly (1,2,3,4,5 not showing)
    - Changes to Property Name, Status Change Date, Operating data fields, Lease Tenant fields, and Most Recent Values and Value Source, and Current Allocation fields when Property Status is '3' or '5' (defeased or released).
    - Changes to how Net Square Feet is calculated based on Property Type.
    - Rent Roll and Lease information will be blank if data is not found instead of '0'.
  - **Comparative Financial File**
    - Changes to include records for all loans for an investor, and to include records even if there are only Underwriting Statements ('UWS' statement types).
    - Sort order for the on-demand version of the report will be changed to display by Ending Scheduled Balance, largest to smallest.
  - **Delinquent Status Report**
    - The column order for Other Expense Advance Outstanding and Escrow Advance Outstanding will be switched (DSFEEADVO before DSTAXADVO).
    - When determining the Special Servicer Transfer Dates, programs will ignore Special Servicer Transfer records where the Delete Transfer Date is not blank.
  - **Financial File**
    - Changes to display the Year-to-Date 'Data Type' properly as 'YTD' and to format dates correctly on the on-demand version.
    - Financial File will display records even if the only statement types are only 'Underwriting Statements'.
  - **Historical Loan Modification**
    - Column U of the report (currently empty field) will be renamed Estimated Future Loss to Trust.
    - Comment field will be expanded from 225 to 255.
  - **Loan Level Reserve/LOC Report**
    - Report reconfigured to show LOC information on separate line from Reserves
    - Adding a total record to the file total Reserve Balance @ Contribution, Beginning Reserve Balance, Reserve Deposits, Reserve Disbursements, and Ending Reserve Balance.

Syndication Notices

A new Syndicated Notices widget allows users to quickly create and track notice history for Syndicated Loans. The new widget provides an online view of notice history, provides search capabilities, and can produce 8 different notice types which can be previewed in spreadsheet form, or generated and sent automatically. Notice Types include:

- Buy-in Notice
- Cap Note with Roll
- Commitment Notice

- o Funding Notice
- o Interest Cap and Rate Balance
- o Interest Payment and Rate
- o Interest Payment with Rollover
- o Rate Notice

Borrower Inquiry

Several enhancements to our secure borrower portal are included in Release 20.

- The following reports will be available from Borrower Inquiry in both Microsoft Excel and PDF format.
  - o Account Status Summary - report will include a column for Check Number and Buydowns.
  - o Reserve History – Bank Name and DDA # will be included in the report.
  - o Amortization Schedule
  - o Escrow Analysis
  - o Transaction History
- Changes to 'Forgot Password' feature will include an enhancement to prevent the password reset request for one email address to be sent to a different email address and the change password link sent will expire so it cannot be used multiple times.
- Security changes for Borrower Inquiry will be written to File Maintenance.

MaTi Template Additions and Changes

In an effort to support customers needs related to importing data the following changes and additions to templates are incorporated into Release 20.

- Investor Vendor Template – Specific to CMSA and Freddie K Deals this template will now have checkbox at the top of columns to indicate specific fields to update in for the Additional Investor Vendor Deal information file (PPSADIV). Fields that capture the Critical Dates, Remittance File Type, and Servicing Role were added to the template along with the fields that capture the Interest Advances Outstanding, Current Non-Recoverable Interest, and Cumulative Non-Recoverable Interest.
- DDA Template – This template for entering Bank Account information has been modified to upload a large number of records into the PBDDA file.
- BuildRite (Construction Budget) Draw Line Items Template – A new template to import draw line item information into BuildRite. This template loads information into the PDLINEID file specific to the Budget, Draw, Category, and Line Item Type including the requested amount, and job description.
- Pending Adjustable Loan Changes – Template updated to include new fields added to allow for pre-scheduled updates for a new Index value and possible Spread Adjustments as a result of the cessation of the LIBOR index. (Part of Update 19F).

Reporting Additions and Changes

New reporting additions and changes in Release 20 include NAIC reporting updates, additional views, the ability to run some reports directly from the Portal and download them in Microsoft Excel or PDF format, and a new report and file to facilitate tracking delinquencies historically.

- Reports from Portal – In addition to ad hoc report capabilities, Ginnie Mae and the Investor Reporting Package, Strategy now also provides the following reports from a Strategy Reports widget.
  - o Loan Accounting Report – retrieves loan master information, adjustable loan information, property/ collateral information, most recent receivable information, and investor (master and vendor) information.
  - o Average Daily Balance Report – retrieves information from loan master, property, collateral, and daily balance and rates file to create report.

- - o Miscellaneous Fees – retrieves transaction, property, and collateral information to create the report.
    - o Holdback Report – retrieves information from the loan master, property, collateral, and holdbacks files to create the Holdback report.
  - New Views available in the Reports widget for creating ad hoc reports.
    - o Taxes – View includes Loan Master, Property/Collateral Information, Tax Descriptions and Taxing Authority information.
    - o Insurance Escrow – view includes Loan Master, Property/Collateral Information, Building Information, Insurance Company info, Other Escrow (limited to Insurance) and Building Escrow Information.
    - o Reserves - View includes Loan Master, Other Escrow, and Reserve Balance information.
    - o On Demand Remittance w/Investor – View includes Loan Master, Investor Vendor & Additional Deal info, Investor Master & Additional Deal info and Investor Remittance information
    - o Trial Balance most Recent Value-all Props – View includes Loan Master, Property/Collateral Information, Adjustable Loan Information, Miscellaneous Fields, Credit Risk information, and Most Recent Appraisal Information.
    - o Loan Miscellaneous Amounts – View includes Loan Master and Miscellaneous Amounts info.
    - o Loan Receivables – View includes Loan Master and Receivable Information.
    - o Loan Modifications – View includes Loan Master, Investor Vendor & Additional Deal info, Investor Master & Additional Deal info and Loan Modification history.
    - o Transaction History – View includes Loan Master info, including Master 2 Info, Transactions and Check files, and Notes.
    - o YTD Information – Includes Loan Master, Master 2 Info, Miscellaneous Amounts info, Risk Rating, Assumptions and Year to Date t and Assumed Amounts Current Year End.
  - NAIC Schedule B Report Changes
    - o Updates to the fields Maturity Date, Property Type Codes, Zip Code order, State and Legal Entity Identifier on Report Parts 1, 2 and 3.
  - New Delinquency/Aging File and Report
    - o A new Delinquency Tracking file (PDLQTRK) tracks the delinquency history for a loan by assigning Delinquency Categories. For each payment due, a record displays marking the delinquency due categories. Categories are delinquent by 30 days, 60 days, 90 days, 120 days, and 180 days. A new day end program calculates the number of days delinquent using the Next Payment Due Date in the Master file. Each payment frequency:
      - ▪ a new record will be added for any payments that reach 30 days delinquent
      - ▪ any existing open Delinquency Tracking records having payments made are closed by entering the Payment Date
      - ▪ or existing open Delinquency Tracking records are updated by marking the appropriate Delinquency Categories. Once a category is marked, it will never be unmarked.
  - New Supervisory Report Message
    - o A new message has been added to the Supervisory Report to print on the first of the month in August through December to remind Customers to review and update Business Calendar records for the upcoming year.

Other Ease of Use Changes

Title Bar Changes

For those users that use Loan Name in the Customer Information file, rather than the Short Name in the Loan Master file, a system control setting will allow your organization to display the Customer Information Name in the Title Bar rather than the Short Name.

Loan Search Changes

Strategy's search by Account #, available from the Main Toolbar and the Tools menu, has been expanded to also filter on the following values:

- Contact Name
- Contact Email
- Contact Phone
- Parcel Number and
- Policy#/FHA Case #.

Portal Search Changes

Portfolio Analysis and the Portal Super Search have been enhanced to include County (Borrower address, or Property), Customer Short Name, and Borrower Contact Information (email address and phone number) as Search Criteria. Enter a value in the Super Search or Portfolio Analysis Search fields and the Portal will display the results grid containing any Names, Loans, Properties, or Investors that contain the string entered.

Name and Address Search Grid

The Contact Name from the Name Information screen will now appear in the Linked Name and Address grid first displayed when you enter Name and Address Maintenance. Values in a Strategy grid can be used to filter, sort, or find values. This will make it easier to identify the corporate name records when working with an individual's name.

Strategy Add-On Products
Available at Release 20

There are two new products available with Release 20 that expand Strategy's capabilities. These products are available at Release 20 for an additional charge.

Wires

- Strategy's Outgoing Wire functionality expands on our ACH feature to create Wires for advances, remittances, and disbursements.
    - o Outgoing Wires can be created to support same day remittances.
- Strategy's Incoming Wire functionality has matching capabilities to identify open receivables for Payments and Miscellaneous Fees and match them to Incoming Wire information.
    - o A new Incoming Wire MaTi template allows users to upload incoming wire information to facilitate the matching.
    - o Once matching is complete, users can review matched incoming wire information for processing, and
    - o Access unmatched information for investigation and manual application.

Inspection Ordering

Using a report created in the Reports widget, Strategy uses Process Manager to Order, Track and accept On-Line Inspection Reports.

Multifactor Authentication

With Release 20, Customers can implement Multifactor Authentication for Strategy's Portal. Users register with Authy entering their preferred method of notification. When they log into the Portal, Strategy prompts the user for a token they receive via SMS, email, or voice from Authy. Users must successfully enter the token code before gaining access to the Portal. There is a per authentication fee associated with using Authy Twilio Multifactor Authentication. McCracken will bill Customer's monthly for a pass through of authentication charges.