McCRACKEN ADVISORY COUNCIL

Denise Pappu, Chairperson
TJ Arrowsmith, Vice-Chairperson
Jason Kamienski
Deri Rowe
Chris Fielder
Biren Mahendran
Kendra German

Quarterly Meeting Summary – July 20th, 2021, 4:00 pm ET

Agenda:

Denise Pappu welcomed everyone and thanked them for joining.

The MAC Board welcomed their newest member, Deri Rowe from Columbia National. The board thanked her for volunteering and looks forward to working with her.

Subcommittees in 2021

Meeting began with an update on the four subcommittees that MAC is offering.

General/Investor Reporting Subcommittee

General / Investor Reporting will meet August 11th. Several projects in the works. Related documents are on the website for review. Please offer any input related to:
Collateral Purging – A requirements document is available on the web. Please review for discussion at the next meeting.
Ginnie Mae Construction Pool Reporting – Karla is looking for input on the BRD Requirements and Ginnie Mae Test Cases.

Investor Transfer – Karen has published the Investor Transfer scenarios received. Please review and provide any additional requirements. Information provided will be passed to McCracken for development.

The General/Investor Reporting Subcommittee has been and will continue in the meeting in August reviewing the Enhancement List to talk through items like the Collateral Purge to get them moving forward.

For those interested in Ginnie Mae Construction Loans, Karla is still looking for input on a few requirements. Visit the MAC webpage to review the outstanding items. 'GNMA BRD Requirements Needing More Information – Oct 16, 2019' and 'GNMA Test Cases'.

Reach out to Denise Pappu or Kim Cooper for more information.

Web Subcommittee

Web Subcommittee met June 30th and walked through the listing of prioritized enhancements getting a little more than halfway through the list. Hope is to finish off the list in the next meeting August 18th. Denise Pappu encouraged everyone to participate in the Web subcommittee and provide their input into enhancements. The next meeting is 2:00 pm.

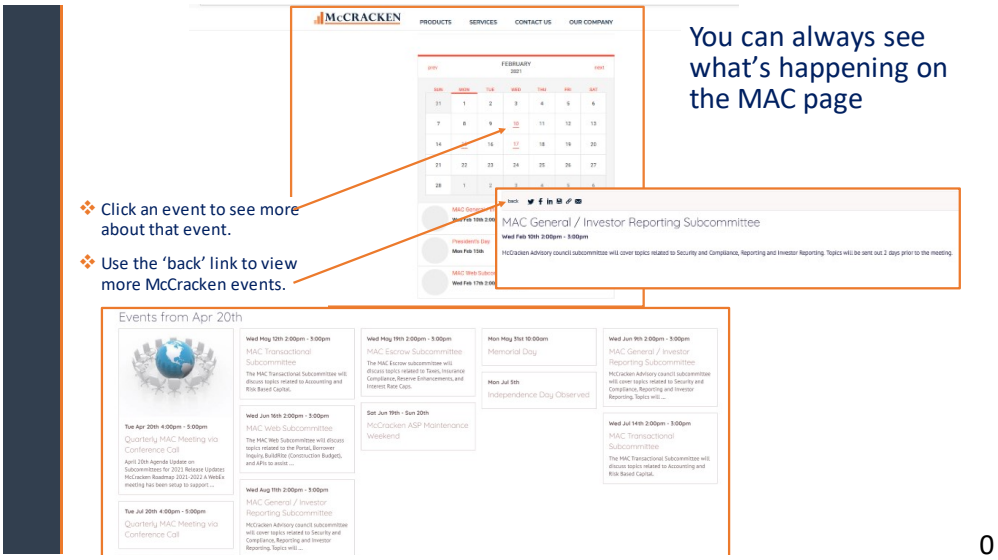
Transactional Subcommittee

Transaction Subcommittee deals with accounting topics and Risk Based Accounting and will be led by Biren Mahendran and Jason Kamienski. The Transactional subcommittee met for the first time this year on May 12th at 2 pm Eastern and began going through the enhancement listing. The MAC Board has been reviewing the topics that will be covered by this session in an attempt to focus the committee a little more. The next meeting will be on September 15th at 2:00 pm ET.

Escrow Subcommittee

The Escrow subcommittee met in May and will meet again tomorrow, June 21st at 2:00 pm. The committee began reviewing the enhancement requests for escrow identifying some items that may be duplicative or already fixed. The committee will continue their review tomorrow, and then will begin to move into defining requirements for the items that they prioritized.

Denise Pappu reminded everyone that the Meeting Summaries and Notes are available on the McCracken website. https://www.mccrackenfs.com/support-center/mccracken-advisory-council/.



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The calendar for MAC subcommittees is available on the McCracken Advisory Council page at https://www.mccrackenfs.com/support-center/mccracken-advisory-council/. Meeting agenda and WebEx information added to meetings about a week before the meeting.

McCracken University in 2021

https://www.mccrackenfs.com/support-center/mccracken-univerity-videos/

McCracken University continues in 2021 as well. The next session is Thursday at 2:00 pm when McCracken will tell us about what is coming in Release 20.

Remember that all McCracken University sessions are available on our website at the link above. You can always access the recorded session on the website if you are unable to attend.

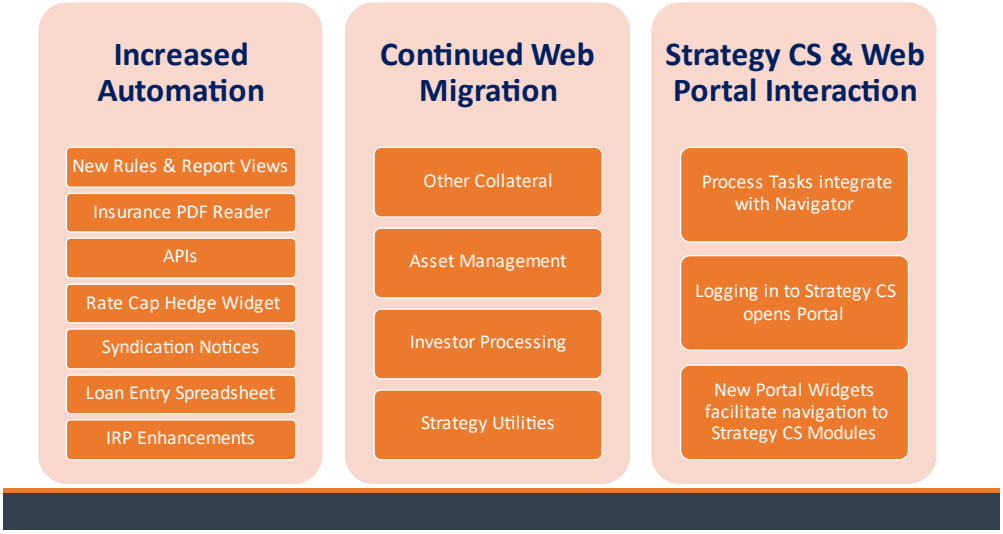
Denise Pappu turned the meeting over to Denise Ross.

Release Update

Denise Ross noted that Release 20 will be available in August. It is a good size release. A Summary of Release 20 is posted on the website offering a high level overview of enhancements and changes in Release 20 but is not a comprehensive list of all of the contents. Database / File Changes are also available from the website. Highlights and other information will be made available in the coming weeks. The Work in Process listing, also available on the Release 20 page, continues to display all jobs slotted for Release 20.

Denise Ross gave a high level overview of some of the content of the release noting that the changes fall into three (3) major categories.

Increased Automation, Continued Web Migration, and Enhancements to make it easier to move between Strategy's modules in the desktop interface and the web interface.



Increased Automation

Automation is heard throughout the industry with an emphasis on streamlining tasks. The Release contains several enhancements geared toward doing just that.

- New Rules across the system to help monitor your database.
- Additional Reporting views enabling the ability to view and export information from Strategy.
- The Insurance PDF Reader to streamline the entry of Insurance Information.
- Included a number of API's including the Freddie Mac B2B initiative with an API into the PRS system.
- Enhanced collection of information on Rate Cap/Hedge Agreements with rules to monitor the strike rates, expiration/renewals, and bank ratings.
- Creation of Syndication Notices in the system.
- The New Loan Entry Spreadsheet now in use by several customers, streamlines the entry of loans providing tools to make it easier to board loans.
- Several IRP enhancements and updates.

Continued Web Migration

McCracken has continued our migration efforts in Release 20.

- Remaining Asset Management tabs have been migrated to the Portal
- The tabs in the Other Collateral module have been migrated to the Portal.
- Ginnie Mae reporting including WHFIT and RFS reporting has moved to the Portal putting all Ginnie Mae reporting in one place.
- Several utilities are now located in the Portal as well as Strategy
    - Strategy Security can now be accessed from both Strategy's desktop client and the Portal.
    - You can now view your Spool File from the Portal.

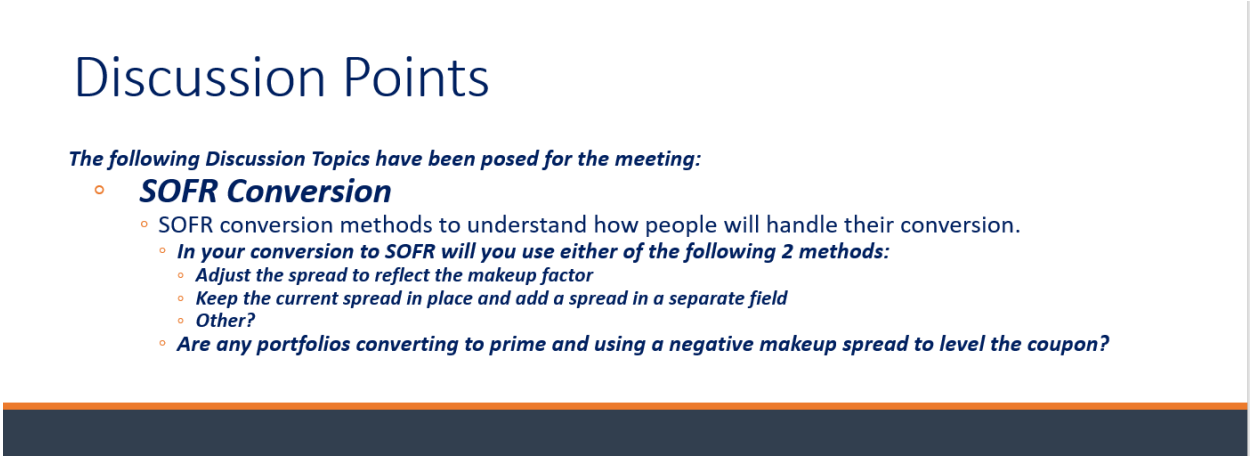
Strategy CS and Web Migration

Several enhancements have been made to make it easier to move between the modules in Strategy CS and the Portal.

- Navigators can now be run from a task in a Process allowing users to select an assigned task in their Process and Task queues and automatically move to the first Strategy CS screen in the Navigation.

- Logging into StrategyCS can automatically open the Portal.
- New Portal widgets allow users to navigate directly to Strategy CS modules.

Discussion Points



McCracken sent a survey to customers in early July posing questions related to SOFR conversion and regarding Check Writing Software.

SOFR Conversion

Biren Mahendran from PGIM asked the group if they had any input into what industry best practices were as it relates to conversion of loans to SOFR or other index rates. McCracken has submitted a survey out to customers related to how customers expected to level the coupon rate. Did they anticipate adjusting the spread in a single field to reflect the makeup factor, or did they anticipate using the Operator fields in the ARM module to use a separate spread adjustor field?

Biren also noted that he was interested in discussing best practices for converting loans from LIBOR to Prime using a negative makeup spread.

Biren noted that part of their interest ties into the ability to meet industry reporting requirements and whether one method of conversion would be more suited to completing reports so that the coupon rate and spreads are appropriately noted.

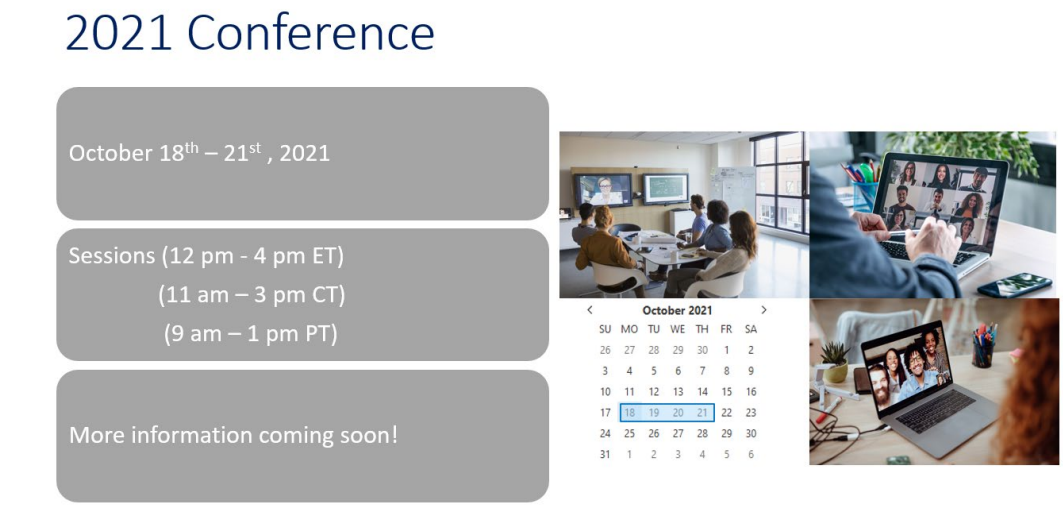
One customer offered that although they expected to see all of the above scenarios, that direction from their customers had not yet been received and their customers' instructions on indexes used would direct their methods.

Check Writing

Denise Ross noted that the survey sent to customers in early July also contained a question about Check Writing. The software product Create A Check is moving to a new version and changing the way that customers would work with the new product. McCracken is looking for an alternate product to provide check writing and is interested in knowing what customers were using.

Conference 2021

Kim Cooper reminded everyone that the 2021 Customer Conference will be October 18th-21st, 2021. The conference is virtual again this year and the format will be much like last year with sessions running in the afternoons eastern time to accommodate customers across the country. McCracken is defining the agenda now and will provide more information in the near future. Denise Pappu urged customers to send any suggestions for conference topics to Kim Cooper.



The Future of Strategy

Frank McCracken stepped in to introduce James Caron who gave an overview of the new technologies that McCracken is selecting for all future development including any migrations from StrategyCS to the Web.

James Caron reviewed the new tools to be used by McCracken.

- Angular – Java tool that will support a responsive interface and mobile applications
- Spring Boot – Web Service Layer (APIs)
- Docker – Component based deployment

The tool selection will provide a more flexibility for interface development and changes. Future development will be driven by left hand menus and preserve much of the current Strategy CS architecture to minimize impact to users. The new technologies will use Oauth2 authorization which will replicate the current sign on pattern using industry best practices. Future development will continue to be integrated and work with the Portal.

The new web service layer toolset includes Swagger which will support self-documenting APIs to assist your developers when integrating with your enterprise applications.

The updated architecture will take advantage of a metadata layer that will integrate a data dictionary into the application as well as standardize business rule validation, data type constraints, and required field indications across the applications.

The use of Docker will allow for a more consistent but flexible deployment model making it easier to take enhancements to distinct areas of the system.

More details can be found in the MAC Quarterly Meeting July 20, 2021, slide deck located on the website. McCracken will provide more details during the Customer Conference in October.

Questions?

No one had any questions or new concerns they wished to discuss.

Denise Pappu thanked everyone for attending. If you have questions related to what we covered into today's meeting or questions or suggestions related to any MAC activities, please email kim.cooper@mccrackenfs.com and she will circulate to the appropriate parties.

Next Meetings:

Next Quarterly Meeting: McCracken Customer Conference. Time TBA

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