

October 16, 2013

From Tom Carew, Exec VP

### Bullets for the Proposed Rule

- 1) Applause, hoorahs for the Agency! It has taken 5 years but here it is!
- 2) Intermediaries, Employers, and Packagers should be non-profit entities with a multi-year history of serving low income households. The mission of Non-Profits to assist families and communities make a real difference in their actions.
- 3) As the Agency moves forward with 1500 less staff the need for a public/private partnership is critical in the timely delivery of this truly terrific mortgage program.
- 4) Certified Packagers and Intermediaries help improve the overall quality of service to the Borrowers and Agency. The 3 day course and on-line testing have proven this through the demonstration. To date 540 participants and 287 people have taken and passed the online test.
- 5) An additional day of training for Intermediaries should be added to the course.
- 6) Folks who have come through the training and passed the online test prior to the adoption of the final rule should be “grandfathered” as approved Packagers and Intermediaries.
- 7) Continuing Ed is required for all licensed Mortgage Originators should there not be a requirement for continuing education in the 502 Direct program?
- 8) Intermediaries should be licensed Mortgage Originators.
- 9) Establish written, published criteria for the selection and annual evaluation of Packagers and Intermediaries.
- 10) Intermediaries play a critical role working with and for Packagers and “Employers” in the submission of approvable complete packages to RD which reduces Agency staff time. Applicants always have the right of appeal to the Agency. Quality assurance is a critical component of the packagers and employers ability to assist the families and the Agency throughout the loan application process. Intermediaries can provide that assurance.

- 11) Intermediary territory / operating areas / limit the number of Intermediaries
  - a. Existing Intermediaries given the option to continue serving the same region.
  - b. New Intermediaries recruited to cover the entire USA.
  - c. New Intermediaries must provide quality services to multiple states.
- 12) Reporting: monthly on line reports among the Packagers, Intermediaries, and the Agency.
- 13) Processing priority is a critical component for a successful packaging program. Agency staff time and costs have been reduced in the demonstration saving approximately \$1.5 million per year.
- 14) Packagers should be employees and at a minimum of ½ time of an approved “Employer”.
- 15) The Agency should assume the direct oversight of the 3-4 day course; curriculum, selection of non-agency approved trainers, online testing, and maintaining the “approved list” of Packagers, Employers, Intermediaries. This service could be managed via a contract with a national Non-Profit.
- 16) Packaging fees at a minimum as proposed in the rule for all closed loans with a consideration of industry standards.
- 17) “Certified Non Agency Personnel” should be given access to UNIFY which would help the Agency receive fully electronic packages, enable the Certified Personnel to order credit reports, and appraisals, etc. thus reducing Agency staff time.
- 18) Agency should modernize the overall underwriting system for the 502 Direct loan so that it mirrors the very successful 502 Guaranteed system.
- 19) Self-Help and REO loans should be eligible for packaging.
- 20) Packagers and Employers should be exempt from requirements of the Safe Act. HUD has created an exemption so should USDA
- 21) Intermediaries should be in compliance with the Safe Act.