



2015 FALL ASSET MANAGEMENT CONFERENCE

HUD Asset Management Servicing



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Multifamily for Tomorrow (*MFT*) has four components

**Transform
the way we
work**

1

Workload sharing

2

**Underwriter model and risk-based processing in
Production**

3

**Account Executive and Troubled Specialist model
in Asset Management**

**Streamline
our structure**

4

**Streamlined organizational structures in HQ and
field**

Transform
the way we
work

3

Account Executive and Asset Resolution Specialist model in Asset Management

and Will deliver better risk management
clearer, more manageable roles

Account Executive Model

From ...

... to



- **Risk-based asset management foundation** laid through *Sustaining our Investments (SOI)*

- **PMs struggle to manage breadth and complexity** of their portfolios
 - >120 discrete asset mgmt activities
 - Insured, assisted and mixed-finance assets
 - Wide spectrum of performance (troubled, potentially troubled, not troubled)

- Inconsistent roles across Hubs

- **Highly variable distribution of work**, ranging from 25-100+ assets per PM

- PMs still spend time on all aspects of servicing

- **Risk-based approach fully embedded**, with most time and effort dedicated to riskiest assets

- **Specialized, consistent roles** improve efficiency and risk management

- Account Executives conduct basic servicing of non-troubled assets
- Sr. Account Execs conduct servicing of more complex non-troubled and/or potentially troubled assets
- Resolution Specialists focus on remediating troubled assets

- Consistent, **smooth distribution of assets** across Account Executives and Resolution Specialists

- Allow focus on complex or troubled assets
- Shift select asset management activities to lenders and/or PBCAs



Regular Servicing Actions

Escrows	Rent Setting	Financials	Inspections	Other
<u>Replacement Reserves</u>	Budgets	Monthly Accounting Reports	Physical Inspections (REAC)	Waivers
Deposits	OCAF	Financial Statements	EH&S	AFHMP
Withdrawals	AAF	IRR	Management Reviews	Commercial Leases
<u>Residual Receipts</u>	Utility Allowance		Site Visits	Regulatory Compliance
Offset / Withdrawals	Contract Renewals	<div style="border: 1px solid black; border-radius: 15px; background-color: #1a2b4a; color: white; padding: 5px; display: inline-block;"> Update to Section 8 Renewal Policy Guide, eff. November '15 </div>		Previous Participation (2530)

Risk-Based Servicing

Financial Risk	Housing Risk
FHA-insured Mortgages	Section 8
223(f)	202/8
221(d)(4)	202/PRAC
221(d)(3)	811/PRAC
236	RAP/Rent Supp

Risk-Based Servicing Characteristics

Debt Service Coverage Rate (DSCR)	Loan Status
REAC Phys. Inspection Score	Physical Needs
Open DEC Referral	Recent MOR Score
OAHP Watchlist	Regulatory Compliance
Owner/Agent Performance	Market Conditions
Variance Tracking	Financial Performance (A/P, TAR, vacancy)
Unauthorized Distributions	Funded Security Deposit

Electronic Mail

The new Multifamily Midwest Region is going electronic! In order to streamline operations, we have established a centralized intake process in Asset Management. We encourage all routine servicing requests and correspondence which has been traditionally mailed to Detroit and/or the Ohio offices to be submitted via email to det.incoming@hud.gov.

All other correspondence should be sent to the emails below:
Monthly Accounting Reports (MARs) to det.mars@hud.gov
Grant information to det.grants@hud.gov



Questions?

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