

February 14, 2019

David C. Benson, President, Fannie Mae
Hugh R. Frater, Interim Chief Executive Officer, Fannie Mae
Jeffrey R. Hayward, Executive Vice President, Fannie Mae

Dear Mr. Benson, Mr. Frater, and Mr. Hayward

We are nonprofit housing counseling agencies, which are Home Counselor Online (HCO) users or which are working with agencies, which use HCO. We request that Fannie Mae move the end date for HCO from the current May 31, 2019 date to December 31, 2019. This will allow agencies to complete the HUD contract year by September 30, 2019 and meet the HUD reporting requirements due by December 31, 2019.

We have several reasons for making this request:

- The timing of the transition by the 5/31 deadline is during the height of the homebuying season, when client programming and client recording is at its peak. Housing counseling agencies are coming off a difficult funding year with delayed HUD funding and the disruption caused by the government shutdown. It is a lot to ask to layer all the additional transition and training expense and staff time during the busiest season for many agencies.
- The May 31 deadline is eight months into the HUD contract year. It makes much more sense from a work flow basis to switch over by the end of the contract year and retain the ability to provide a full year of reporting for FY 2019 under HCO.
- Fannie Mae is paying for the cost of client data transfers from HCO to Launchpad for agencies which made application by a specified date. While Launchpad has many exciting features, we all know that a major client management system technology roll out is difficult and there will be challenges in the first few months. There will be several hundred HCO users who will need to be trained, on boarded, and supported within the May 31, 2019 deadline. There is the prospect for serious disruption of the performance delivery systems and reporting for many housing counseling agencies.
- Launchpad has a pricing schedule for nonprofit agencies. Some HUD approved housing counseling agencies are government agencies and there is no pricing schedule for them because the pricing is based in part on the Salesforce nonprofit discount, for which government agencies do not qualify. These agencies do not know if they will be eligible for Launchpad by the deadline or what their costs will be. Similarly, an intermediary for small agencies providing HECM counseling has not been able to get an affordable Launchpad pricing structure because the current pricing structure will cost some small agencies more than the income they make from the service delivery.

The National Housing Resource Center (NHRC) conducted three polls on its February 7, 2019 Leaders in Housing Counseling call on the question of the May 31 HCO termination date.

Ninety two counseling program managers attended the call. Eight five percent of respondents wanted to request the later HCO termination date, seventy two percent said the current termination date would be disruptive to their program, and sixty four per cent said they were not confident that they would know enough to choose the appropriate CMS by May. Copies of the polls are attached.

National Housing Resource Center is a national policy and advocacy program for the nonprofit housing counseling community. NHRC pulls together local housing counseling agencies, Intermediaries, and housing networks to identify and elevate housing issues. There is a great deal of concern among our members regarding the current deadline for moving their data from HCO.

HCO has played a vital role in the development of the housing counseling programs. A smooth and well designed transition is crucial to the next phase of the housing counseling work following HCO termination. Therefore, we ask that HCO remain fully operational through the complete HUD contract year, allowing groups to add clients and through 12/31/19 to allow for final entry and reporting purposes prior to CMS transfer.

Cc: Brian Montgomery, HUD

CC: Sarah Gerecke, HUD

CC: Sandra Thompson, FHFA

CC: Joseph M. Otting, FHFA