



WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Karen Miller
Chair

Mr. Kim Herman
Executive Director

December 27, 2016

Dear Lending Partners:

Thank you for sharing with us your thoughts regarding challenges with turn times and funding of your loans through ServiSolutions. The Commission also shares in that responsibility as our volume has grown tremendously and has placed strain on ServiSolutions. The Commission has been working hard in partnership with ServiSolutions to develop viable permanent solutions. We have heard you loud and clear. This memo describes what we have done to date and the plan going forward.

As our volume continued to grow and at the request of ServiSolutions, the Commission sent out an RFP and added Lakeview Loan Servicing as our additional loan servicer to take on all new government Home Advantage reservations. As approximately 60% of loans in reservation status are government loans, it should substantially lower the amount of new incoming loans received by ServiSolutions in 2017 which will give them the opportunity to catch up on their pipeline of loans.

Also in an effort to creatively help with liquidity issues, we proactively developed a mechanism to provide liquidity to ServiSolutions for which there was no existing model in the housing finance agency space. We have continued to increase the amount of liquidity we give to ServiSolutions and have provided them with up to \$95 million in any given month representing over 3,206 loans since this began approximately one year ago.

The Commission also completed negotiations with Lakeview Loan Servicing to purchase some of the loans already delivered to ServiSolutions for review. We worked with your corporate offices to facilitate this transfer. These transfers will take effect immediately.

For approximately the next 30 days starting January 1st, until the backlog of loans has been resolved, the Commission is temporarily suspending reservations of conventional Home Advantage loans. We will only accept conventional Home Advantage loans on a case by case basis. Please have your corporate office contact Lisa DeBrock at lisa.debrock@wshfc.org if an exception is needed. The Commission will continue to accept government Home Advantage loans reservations and House Key loan reservations without interruption.

ServiSolutions assured the Commission they will work through their backlog of loans. The Commission will continue to reimburse lenders for extension fees for the portion of the delay caused by ServiSolutions. Please send the timelines including date file shipped, date filed reviewed by ServiSolutions, fund date, etc., to jenni.davidson@wshfc.org for review.

The Commission, ServiSolutions, and Lakeview Loan Servicing are committed to you and our borrowers and together are doing everything possible to resolve purchasing delays. We thank you for your partnership, understanding, and patience during this time. Please contact Lisa DeBrock or Corinna Obar with any additional questions.

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