**HPN Homeownership Member Virtual Meeting Notes April 26, 2020**

**Discussions Starters:** Jay Perlmutter, ANDP (developer perspective)

 Mark Vanderlinden, Homewise (lender/servicer perspective)

**Highlights:**

* Jay—things continue relatively normally. Construction is considered essential in Georgia so work on developments continue. Indicated that sales side of construction have continued, sold 10 homes in the last month, at or above normal pace. Only lost 5 homebuyers out of 25 contracts due to economic hardship. Expect there to be a harder hit in May than March.
* As ANDP thinks forward, worried about home values dropping, so projecting a 10% drop in home value. As the same time, internet buyers pulled out for the next 6 months. As a result seeing drop in demand for distressed, as-is homes, so not as much competition and could be advantageous for ANDP since they won’t be beat out by investors.
* Cathy Williams (NW Columbus)-shared similar experience in that things have not slowed down, actually ramped up because of less competition from investors. Have been able to acquire properties at lower cost with less negotiation. Expect supply chain issues down the road. Loss homebuyers in pipeline. Projected to be more difficult in May and June.
* In Columbus, there is a real gap between what is available and what is affordable, so anticipating another eviction and foreclosure crisis. Foreclosure vulnerability was already high in Columbus, GA before COVID. Interest rates are volatile and seeing stricter eligibility for homebuyers.
* Mark (Homewise)- Only do conventional loans so have had less disruption. Ginnie Mae will be advancing money for claims coming in the future. Servicers pulling back massively in the meantime. Currently a high FICO scorer can get 3% rate, with 20% down 2-2.5% rate.
* Shifting all loan officers to refinance applications. It will be more than half of business this month. Home purchase advisors moved to servicing and LO teams. Online loan application put out for the first time last month. Will set a volume record for April for most loans closed. On servicing side- overall delinquency rate at 2%. Second mortgages- 1.79%. These numbers are based on the end of March. Hasn’t exploded yet, except for I-10 borrowers since those borrowers are more vulnerable. Most calls are not resulting in borrower going into forbearance yet. Still working with borrowers until they know what they will be able to pay.
* Melanie (NW Columbus)- worried that people buying homes currently will be underwater or will lose value in homes in the next couple months. Recession length affecting home values.
* Katie asked if people were thinking of shifting their strategy to rental as an option? Andrew- HPI Louisville indicated that they are thinking about shifting to rental for vacant homes, contemplating NMTC for homeownership.
* Eden Spencer- seeing a lot of demand and not seeing a lot of change in sales prices. Getting multiple offers on houses. Thinking about acquisition rehab for the future. Not thinking about rental because haven’t historically done that. Construction timeline stretching out a little bit, supply chain issues new for them and starting to see it now.
* Rob Leuchs (CHT)- anything that was already in the pipeline moving forward, but no new projects because there’s no appraisals, etc. Online education demand gone up for new homeowners whose income hasn’t changed.
* For renters- 1/15 renters had no payment or partial payment. Market might get flooded with homes and potential demand. Construction- 2 people max per crew.
* Homewise- Can manually underwrite loan instead of DU with changing FICO information. Have noticed with changes to underwriting criteria many borrowers that were previously qualified for GSE mortgages no longer are.
* Request—people are interested in cheat sheet- forbearance options for different loans