



TECHNICAL TRAINING SUMMARY



Training Date: July 1, 2014
Subject Matter: RAD 101: Lessons for the FHA-MAP Lenders
Audience: Multifamily Underwriters from Various Offices
Facilitator(s): Joe Harrell and Rob Hazelton, D3GU

Abstract

The following is a report on D3G University's (D3GU) "RAD 101: Lessons for the FHA-MAP Lenders" training that was provided on July 1, 2014, to 67 multifamily underwriters via the on-line training platform Adobe Connect, which allows for a 1:1 student to computer setting. The financial institutions that took part in the training were Acre Capital, AMG Financial Services, Arbor Commercial Mortgage, Bank of America-Merrill Lynch, Berkadia, Berkeley Point Capital, Bonneville Multifamily Capital, Capital Funding, Capital One, Centerline Capital Group, Columbia National Real Estate Finance LLC, First Housing, Oppenheimer Multifamily Housing & Healthcare Finance, Inc., Paragon Mortgage Corporation, PR Mortgage, Regions Real Estate, Rockport Mortgage Corporation, Walker and Dunlop, and Wells Fargo. Furthermore, a member of the Philadelphia HUD office attended the training as well.

Introduction

D3GU advertised a three hour long training for FHA-MAP lenders so they could learn from the lessons D3G has garnered over the course of inspecting in excess of 17,256 units under the parameters of the RAD program. The training was hosted on Adobe Connect, a web-based learning platform that allows the facilitator to speak to the learners via Voice Over Internet Protocol (VOIP) and share information on his/her computer desktop. Additionally, the trainer(s) can interact with the audience via a text chat feature. Since learners were joining the on-line training room from 67 different computers, D3GU took great pains in preparation to ensure technology issues would not detract from the transfer of knowledge by offering the learners the opportunity to test their systems with Adobe Connect prior to the live training.

Since we only allotted three hours to provide a very large amount of training, D3GU tried to focus on 'big ticket items' and the major challenges that lenders will face within this program. Essentially the training was a high level of the RAD program, with the assumption that learners had pre-requisite baseline HUD MAP knowledge. To ensure we met the needs and expectations of the participants, we created and administered a Learning Needs and Resource Assessment (LNRA) two weeks prior to the date of the training.

Learning Needs and Resource Assessment (LNRA)

D3G presented the 67 participants with an anonymous, on-line LNRA prior to the training to ascertain the experience and knowledge levels of the trainees so the training could be tailored to their needs. As one can see from the results of the LNRA, five different position titles and derivations thereof were

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registered to attend. Most notably, 53% of the responders answered question #6 that they were ‘Very Uncomfortable’ with the RAD process while 12% of the responders answered question #6 that they were ‘Uncomfortable’ with the RAD process. This information, 65% of the responders being ‘Uncomfortable’ or ‘Very Uncomfortable’ with the RAD process, informed the facilitators that the pace of the training needed to take these findings into account. To follow are the unedited responses of the 17 people that responded to the LNRA, a 25% return rate.

1. Have you ever taken part in an on-line training platform?

	Number of Response(s)	Response Ratio
Yes	13	76.4%
No	4	23.5%
Total	17	100%

2. If you answered 'no' to question 1, what questions/concerns about the training platform can D3GU address before the training?

2 Response(s)

Getting any materials out to the Participants ahead of time, so we can pre-review to check for any questions, or refer back after the training.

None

3. How many years of HUD MAP experience do you have?

	Number of Response(s)	Response Ratio
0-2 years	6	35.2%
3-5 years	2	11.7%
5-10 years	5	29.4%
10+ years	4	23.5%
Total	17	100%
0 Comment(s)		

4. What is your job title?

	Number of Response(s)	Response Ratio
Loan Underwriter	9	52.9%
Loan Processor	0	0.0%
Loan Originator	5	29.4%
Other	3	17.6%
Total	17	100%

3 Comment(s)

General Counsel

Credit Analyst

Investment Analyst

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5. What is your RAD experience? You may choose more than one answer.

	Number of Response(s)	Response Ratio
I have attended a RAD breakout session at a conference.	5	29.4%
I have viewed HUD webinars regarding RAD.	4	23.5%
I have worked on a RAD project.	4	23.5%
I have read a RAD report.	1	5.8%
I have experience with the LIHTC process.	8	47.0%
I am a RAD neophyte.	4	23.5%
Other	3	17.6%
Total	17	100%

3 Comment(s)

None

Pre-RAD neophyte

None

6. How comfortable are you with the RAD process?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Very Uncomfortable	Uncomfortable	Neutral	Comfortable	Very Comfortable
	9	2	6	0	0
	53%	12%	35%	0%	0%

7. How comfortable are you with the LIHTC process?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Very Uncomfortable	Uncomfortable	Neutral	Comfortable	Very Comfortable
	1	2	6	4	4
	6%	12%	35%	24%	24%

8. After reading the agenda attached to this email, please let us know what questions/concerns you would like Rob Hazelton to cover. D3G does not believe in a cookie-cutter, one-size-fits-all approach to training and these questions ensure your individual needs are addressed.

6 Response(s)

Perhaps some info on how the LIHTC 4% /9% enhances the equity/time line on these

Note - Possibility of having numerous types of funds to fund equity i.e. grants/HOME etc

You might be covering this, but can you go through A-Z, how a RAD transaction works and how it works with relation to a Pilot deal or a D4?

It would be nice to have a step-by-step road map of what happens when and what the important things are.

pitfalls to watch out for

-Provide any links that are helpful for RAD Resources (whether HUD or not).

-What HUD offices are best (and most difficult) at processing RAD deals?

-Focus on C a., if possible

I don't know what I don't know.

I would like to make sure we cover the pitfalls to be aware of and benefits of lessons learned.

Without being familiar with RAD - it is difficult to formulate meaningful questions.

Please explain RAD in language that is easily understood

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The Transfer of Knowledge

Over the course of three hours, Rob Hazelton (resume included in Appendix A) instructed the learners on important guidance and interpretations of RAD from the perspective of a third party due diligence practitioner. To ensure the needs of the learners were met, the responses from the LNRA were incorporated into the training materials (see Appendix B). When possible, the learners' questions and/or comments were seamlessly assimilated into the presentation slides. However, if a seamless placement of the questions and/or comments was not feasible, they were addressed individually during the webinar. The PowerPoint slides and a list of common RAD acronyms, also included in Appendix C, were emailed to the participants so they could be accessed and printed in advance of the training.

Furthermore, over the course of the training, poll questions (see Appendix C) were introduced so the audience could interact with Mr. Hazelton. Lastly, the Adobe Connect chat feature was utilized so Rob could interact with and answer the learners' questions in a timely manner. Additionally, the transcript of the chat feature can be found in Appendix D.

Post-Training Survey

Following the training, an on-line post-training survey was administered to the learners. To follow are the unedited responses of the 17 people that responded to the post-training survey, a 25% return rate.

1. Please indicate your level of agreement with the statements listed below regarding the training logistics:					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.					
D3GU's communication was timely and effective.	0 0%	0 0%	0 0%	10 59%	7 41%
Registration procedures were "participant friendly".	0 0%	0 0%	0 0%	7 41%	10 59%
The program schedule allowed enough time for breaks.	0 0%	1 6%	1 6%	12 71%	3 18%
The materials distributed were pertinent and helpful.	0 0%	0 0%	2 12%	8 47%	7 41%
0 Comment(s)					

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2. Please indicate your level of agreement with the statements listed below regarding the training:

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The topics covered were relevant to me.	0 0%	0 0%	4 24%	7 41%	6 35%
Participation and interaction were encouraged.	0 0%	0 0%	0 0%	8 47%	9 53%
The content was organized and easy to follow.	0 0%	0 0%	0 0%	10 59%	7 41%
The training experience will be useful in my work.	0 0%	0 0%	3 18%	9 53%	5 29%
The trainer was knowledgeable about the training topics.	0 0%	0 0%	0 0%	5 29%	12 71%
The trainer was well-prepared.	0 0%	0 0%	0 0%	7 41%	10 59%
The training objectives advertised were met.	0 0%	0 0%	3 19%	6 38%	7 44%
The time allotted for this training was sufficient.	0 0%	0 0%	3 19%	7 44%	6 38%

2 Comment(s)

For individuals who are not very familiar with RAD, it was a lot of information to absorb. But it is helpful to know that D3G is available to answer questions when they arise later down the road

I actually think the time went very quickly. I would have liked a bit more time. Coming from the Lender perspective, it would help (if you can speak to this area), at what stages and how the Lender gets started in the process.

3. I would like to learn more about the following training opportunities offered by D3GU. More than one topic can be selected.

	Number of Response(s)	Response Ratio
PCNA Process and Reserve for Replacement Tables	2	18.1%
Accessibility Issues in MF Housing	2	18.1%
AEC Process - to include 2328 form, B-108, etc.	2	18.1%
Intrusive Studies	1	9.0%
Low Income Housing Tax Credits (LIHTC)	6	54.5%
Rental Assistance Demonstration (RAD)	2	18.1%
Energy Efficiency in MF Housing	4	36.3%
Noise Studies	1	9.0%
Lead-Based Paint/Asbestos	2	18.1%
Radon	2	18.1%
ESA - Phase II	0	0.0%
Other	0	0.0%
Total	11	100%

0 Comment(s)

4. Based on your experience, how likely are you to recommend training hosted by D3GU to a colleague?

	Number of Response(s)	Response Ratio
Very likely	11	64.7%
Somewhat likely	5	29.4%
Neutral	0	0.0%
Somewhat unlikely	0	0.0%
Very unlikely	1**	5.8%
No Responses	0	0.0%
Total	17	100%

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5. What was the best part of the training offered by D3GU?

8 Response(s)

Travel not required and very informative as well as current.

Ease of access

Rob sharing his experiences on deals.

Very well organized Knowledgeable speaker

****Information supported by practical examples and anecdotes, how it is really working.**

The helpful hints and lessons learned.

The interactive aspect--the polls.

Knowledge available from Rob & the staff

6. Nothing's perfect, so what can D3GU do to improve future training sessions?

6 Response(s)

I have no complaints about the sessio. I felt D3G did a really nice job of responding to questions as they were submitted. Thank you for the opportunity to become familiar with RAD.

Nice job.

****This was excellent, worth every minute and certainly worth \$90.**

Possibly include longer breaks for questions, since sometimes there was a pause, but people were still writing, so by the time the question was submitted the presentation had continued. Maybe tell people to "raise their hand" first, so the presenter will know to wait for a question from that person.

Web camera would be the one suggestion!

Web Camera.

Review of Responses

The process of training needs to be subjected to systemic continuous improvement where post-training feedback is imperative to meeting future learning objectives. While everyone loves praise and positive feedback, we know that focusing on the constructive criticism is vital to create a positive learning environment. The following is a summary of pertinent comments from the unedited post-training survey results provided above:

Pausing for Questions: Since a typing chat feature was utilized, a longer pause time must be given for the learners to respond to questions posed to them. Sometimes an overzealous presenter excited about his/her subject matter will forget to pause for a long enough time.

Web Camera: Two suggestions were made for the web camera to stay on the entire time. While many enjoy seeing the presenter for the entire session, there are two primary concerns when keeping the web camera on the entire time: distraction to the learner and amount of bandwidth used. As one can see from the provided recording of this training, due to the large amount of bandwidth consumed by the web camera, it locked up before it was scheduled to turn off. Also, studies show that many learners find the web camera to be distracting, particularly if a lag in buffering occurs.

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Post-Training Survey Findings and Recommendations

As one can see from the responses to item 3, the participants have expressed a desire to receive more in depth training centered on these two main components:

- (1) the Low-Income Housing Tax Credit (LIHTC) program (55% request)
- (2) Energy Efficiency in MF Housing (36% request)

It should be noted that 46.9% of the respondents to the pre-training LNRA identified themselves as having 5 years or less experience with the HUD MAP program. Therefore, we believe it to be paramount that this rather inexperienced group receive additional training in these areas as they represent HUD's venerable program (Section 223(f)), as well as HUD's future in the transformation of public housing under LIHTC.

As one can see from the responses to item 4, the 17 participants that responded to the post-training survey are either very likely (70.5%) or somewhat likely (29.4%) to recommend the training to a colleague. The highlighted responses in items 4, 5, and 6 that are due to the responder choosing the incorrect choice in number 4, "very unlikely". We were able to look at the post-survey results on an individual reporting basis and determine, based on the positive responses attributed to this person in items 5 and 6, he meant to choose "very likely" for item 4.

In summary, D3G and D3GUniversity management would like an opportunity to discuss with lending agencies the opportunity to leverage our firm's 20-years of HUD mortgage loan programs and associated HUD-FHA institutional knowledge to benefit the next generation of underwriters. We have the experience, knowledge, reputation, and systems to provide a resourceful and dynamic learning environment for these employees. Furthermore, the synergies created with our legacy HUD knowledge combined with one of our core company values (Innovation) sets a stage for success in achieving 21st century goals. D3G is on the cutting edge of the greening of multifamily housing and is both a NYSERDA Multifamily Program Partner and a BPI Training Affiliate, as well as a premier provider of green capital needs assessment for the Rental Assistance Demonstration and a Subject Matter Expert (SME) for the HUD eCNA tool initiative. Our knowledge of energy efficiency in multifamily housing, combined with our extensive 4% and 9% LIHTC experience, can assist lending agencies with their goal of providing dynamic training to their employees.

Appendices

- Appendix A: Resumes of Trainers
- Appendix B: Training Materials & Handouts
- Appendix C: Interactive Polls during Instruction
- Appendix D: Transcript of Chat Feature