

Mortgage Insurance Fund (MIF) Committee
Meeting Minutes - February 8, 2022

The regular meeting of the Mortgage Insurance Fund Committee of the Massachusetts Housing Finance Agency – doing business as MassHousing – was held on November 9, 2021. In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, no Members were physically present, and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the following members of the MIF Committee, by roll call:

Michael Dirrane
Peter Milewski
Rachel Madden
Mounzer Aylouche
Paul Hagerty

The meeting began at 1:00 p.m.

The Members first took up the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, by roll call vote of those members present, it was:

VOTED: That the minutes of the meeting held on November 9, 2021 are hereby approved and placed on record.

Tom Norton presented an overview of the risk-based pricing concept and introduced Ken Bjurstrom of Milliman who presented an updated Risk Based Pricing Analysis. Mr. Bjurstrom explained how risk-based pricing has been used in the general lending industry for a while and about 10 years ago the mortgage insurance industry started using it and more recently it has been evolving to use an increasing number of variables. Overall, the market has grown more sophisticated and there is a need for the MIF to advance with it. He noted that MassHousing's current rate card is generally a one-size fits all structure and presented a series of factors that would be used going forward to adjust pricing.

Mr. Dirrane asked if the pricing includes the MI Plus benefit and whether the variables presented are enough. Mr. Bjurstrom responded that the MI Plus is incorporated as an expense in managing the MIF and reflected in the pricing. He also noted that the variables identified are the most impactful and efficiently implemented but that they would be continuing to assess the models.

Mr. Dirrane inquired what is operational plan for updating pricing. Mr. Norton responded that going forward we would be assessing annually and changing accordingly.

Mr. Milewski asked how easily our lending partners would know the pricing for any given loan. Mr. Aylouche explained that the new E-MassHousing platform will include the ability for lenders to get an MI quote without having to submit the loan for reservation. Mr. Norton noted that we have been testing the platform in a pilot status for the past several weeks and the technology will be in place later this week. Lenders have been kept up to date on the status of the new portal development.

Mr. Dirrane asked what company was developing the platform. Mr. Aylouche noted that ICE Mortgage Technology, formerly known as EllieMae, is providing the platform with specialized assistance from Teraverde for the MIF.


Mr. Dirrane noted the success of the MIF and the significance of the MI+ particularly in advancing the Agency's mission. Mr. Milewski encouraged the staff to continue promoting the product.

There being no other old or new business, the members then voted to adjourn.

The meeting concluded at approximately 1:51pm

A true record.

Attest.



Colin M. McNiece
Secretary

Meeting Materials:

- Risk-Based Pricing: Opportunities for MassHousing's Mortgage Insurance Fund, February 2022