

Position Summary

This summary describes the organization, duties, and requirements of a State of Michigan vacancy.

Position Code: FINSPL2

Civil Service Class and Level: Financial Specialist-2

Working Title (What the agency calls the position): Transaction Specialist – Risk Rating and Data

Name and Position Code Description of Direct Supervisor: WIEBER, JUSTIN R; STATE ADMINISTRATIVE MANAGER-1

Department/Agency: LEO-MSHDA

Bureau (Institution, Board, or Commission):

Division: Asset Management

Section: Transactions and Preservation

Unit:

Work Location (City and Address)/Hours of Work: 735 E Michigan Ave - Lansing, MI 48912 / Monday - Friday 8 a.m. - 5 p.m.

General Summary of Function/Purpose of Position: This position functions as the statewide professional specialist responsible for the development, administration, analysis, and continued improvement of the Authority's Multifamily Portfolio Risk Rating and associated Loan Loss Reserve analysis. The position serves as the Authority's subject matter specialist for evaluating financial and real estate risk across the Authority's multifamily mortgage portfolio and independently performs highly complex financial analyses requiring advanced knowledge of multifamily real estate finance, mortgage lending, asset management, financial reporting, valuation, portfolio risk, and data management.

The position is solely responsible for completing the Authority's comprehensive Risk Rating Analysis, which requires the collection, reconciliation, organization, and analysis of financial, operational, property, loan, market, and historical data obtained from multiple internal and external sources. The position develops and applies analytical methodologies to evaluate the relative risk of Authority-financed multifamily developments and computes a rating for every development in the portfolio.

The position uses the results of the Risk Rating Analysis to develop data-supported recommendations to the Chief Financial Officer regarding the Authority's Multifamily Loan Loss Reserve. The position independently evaluates high-risk properties, analyzes alternative methods for determining the value of underlying real estate collateral, compares collateral values with outstanding mortgage obligations, and evaluates financial and non-financial factors that may increase or mitigate the Authority's potential exposure.

The position develops, maintains, and enhances a comprehensive historical database of the Authority's multifamily mortgage portfolio to support financial analysis, risk assessment, underwriting, asset management, and management decision-making. The position provides authoritative financial and risk-analysis recommendations to management and coordinates within Asset Management and other Authority divisions, including Market Research and Rental Development, to improve the Authority's understanding of portfolio performance and inform future underwriting, program development, and asset-management practices.

The employee will also monitor a portfolio of 10-20 troubled MSHDA financed multi-family housing developments, to ensure compliance with state and federal rules, regulations and laws, and to ensure that developments are managed in a fiscally sound manner, thus securing MSHDA's mortgage investments. Emphasis is given to review of monthly financial reports, review and approval of annual budgets, review of annual certified audits, control of MSHDA held escrow accounts and inspections of the properties; initiation of mortgage loan modifications/workouts, lender remedies such as foreclosure, sales, and preservation transactions.

Assigned duties and tasks for each duty.

Duty 1: Multifamily Portfolio Risk Rating Analysis: As a statewide specialist, calculate the Authority's Risk Rating Analysis. The Risk Rating function of this position is designed specifically to highlight potential risks to the Authority's Bond portfolio so that we may act swiftly to mitigate or eliminate any potential losses.

- Produce the Authority's Risk Rating Analysis on a quarterly basis
- Present the Risk Rating Analysis on an annual basis to Asset Review Committee. Presentation shall include noted changes and trends within the Authority's bond-financed portfolio and will also note specific items relating to financing programs, outliers and exceptions.
- Analyze, test, and maintain the Risk Rating template each month as financial data becomes available in order to ensure the integrity of the scoring.
- Analyze and recommend changes to the Authority's Risk Rating scoring system based on noted changes to the bond-financed portfolio over time.
- Develop analytical forecasting models in order to help identify troubled projects and programs before problems arise.
- Demonstrate the ability to identify a troubled project and also demonstrate the background knowledge of each MSHDA financing program in order to understand the financing stack between projects and programs.
- Develop a Risk Profile for each Authority financed project.
- Create and maintain logs describing the overall funding sources for all projects. Logs must detail maturity dates and affordability end dates and how they affect the Authority's risk on investments presently and in the future.

Duty 2: Oversee the operations of a portfolio of 10-20 troubled multi-family bond-financed developments striving to arrive at solutions to ensure the Authority's mortgage is paid in full, the developments are financially successful, and in good condition

- Monitor an assigned portfolio of financially and/or physically troubled MSHDA-financed multifamily and special housing developments using advanced financial analysis.
- Analyze monthly income and expense reports, budgets, audits, accounts receivable and payable, liquidity, reserve and escrow balances, vacancy and turnover, debt service, and other financial indicators to identify trends and emerging risks.
- Review annual budgets and certified financial audits and make recommendations regarding financial viability, compliance, reserves, capital needs, and appropriate corrective actions.
- Provide early warning of nonperformance and financial distress and develop or recommend solutions designed to protect MSHDA's mortgage investment and support financially sustainable operations.
- Review and process escrow and reserve draw requests and other disbursement requests for compliance with approved purposes, available resources, applicable agreements, and Authority requirements.
- Conduct financial reviews and, when assigned, participate in intensive management or asset reviews addressing the financial and physical condition and marketability of developments.
- Prepare financial analyses, projections, and recommendations for management consideration concerning troubled properties, preservation, sales, refinancing, restructuring, and other significant transactions.

Duty 3: Multifamily Portfolio Data Management and Financial Trend Analysis: Develops, maintains, and enhances a comprehensive historical database of the Authority's multifamily mortgage portfolio to support financial analysis, risk assessment, underwriting, asset management, and management decision-making.

- Design, maintain, and continually improve a database containing historical financial, operational, property, loan, and risk information for developments within the Authority's multifamily mortgage portfolio.
- Establish appropriate data-management practices to promote accuracy, consistency, accessibility, and usefulness of portfolio information.
- Compile historical information to establish portfolio benchmarks and identify averages, patterns, trends, and anomalies among comparable developments or segments of the portfolio.
- Analyze historical portfolio information to identify factors associated with financial deterioration, improved performance, increased risk, loan loss exposure, or other material portfolio outcomes.
- Develop analytical reports, schedules, dashboards, and other tools that allow management to evaluate portfolio performance and risk.
- Identify data deficiencies and recommend improvements to information collection, reporting, and data-management processes.
- Coordinate with Asset Management staff and other Authority divisions to improve the availability and consistency of financial and property information used in portfolio analysis.
- Use historical data to assist in evaluating the effectiveness of existing underwriting assumptions, financial requirements, risk factors, and asset-management practices.
- Maintain appropriate controls over sensitive financial and property information and ensure that analyses are based upon the most reliable information available.

Duty 4: Multifamily Loan Loss Reserve Analysis: Serves as the Authority's specialist for the financial analysis supporting the Multifamily Loan Loss Reserve and provides data-supported recommendations to the Chief Financial Officer and other appropriate management officials.

- Use the Risk Rating Analysis and additional financial, property, loan, and market information to identify high-risk developments requiring evaluation for potential loan loss reserves.
- Analyze the outstanding principal balance, payment performance, debt service, operating performance, collateral position, reserve balances, property condition, market conditions, and other relevant factors affecting the Authority's potential financial exposure.
- Compile, review, and evaluate multiple methodologies for estimating the current value of the underlying real estate collateral securing Authority mortgage loans.
- Determine the most appropriate valuation methodology for individual high-risk properties based upon the characteristics of the property, available information, market conditions, loan structure, and other relevant circumstances.
- Compare estimated collateral values with outstanding mortgage balances and evaluate the potential extent of the Authority's exposure.
- Evaluate qualitative and intangible factors that may aggravate or mitigate the need for a loan loss reserve, including property performance, market conditions, borrower circumstances, physical condition, operating trends, financing structure, repayment prospects, and other relevant risk considerations.
- Independently develop recommendations regarding potential loan loss reserves and provide supporting analysis and documentation to the Chief Financial Officer and management.
- Monitor changes in individual property circumstances and update reserve analyses when material changes in property performance, valuation, loan status, market conditions, or other risk factors occur.
- Identify portfolio-wide trends affecting the Authority's potential loan losses and communicate significant changes in risk exposure to appropriate management.
- Maintain appropriate documentation supporting conclusions, assumptions, methodologies, and recommendations used in loan loss reserve analyses.

Duty 5: Loan Modifications, Workouts, and Lender Remedies: Performs complex financial analysis associated with mortgage loan modifications, workouts, preservation transactions, foreclosure, sales, and other lender remedies involving troubled Authority-financed developments.

- Analyze borrower requests for mortgage modifications, restructurings, workouts, refinancing, or other changes to loan terms.
- Evaluate the financial feasibility and potential Authority impact of proposed loan modifications or workout arrangements.
- Analyze alternative financial scenarios and determine the potential effect of proposed actions on debt service, loan repayment, collateral value, Authority exposure, and long-term property viability.
- Prepare financial analyses and recommendations for management consideration concerning loan modifications and other remedial actions.
- Coordinate with appropriate Asset Management, legal, underwriting, development, compliance, and other Authority staff regarding complex troubled-loan matters.
- Evaluate potential lender remedies, including foreclosure, sale, preservation transactions, or other disposition strategies, based upon the financial condition of the development, collateral position, borrower circumstances, and Authority objectives.
- Analyze the financial implications of alternative resolution strategies and provide recommendations designed to protect the Authority's mortgage investment while considering the continued viability and preservation of multifamily housing assets.
- Assist in developing documentation and supporting analyses required to implement approved modifications, workouts, or other remedial actions.
- Prepare reports and present proposed transactions to the Asset Review Committee.

Duty 6: Cross training with other Financial Specialist-13 positions within the Transactions and Preservations section. This position will serve as a backup to one or more of the other Financial Specialist-13 positions. During times when the primary Financial Specialist-13 is unavailable this position will be able to fill-in on a temporary basis until the primary Financial Specialist is able to resume their duties. The four other Financial Specialist-13 specialty areas are REO, Qualified Contract and Regulatory Relief, Mortgage Resolution, and Pre-Final Close.

- REO – Provide oversight of operations of a portfolio of severely troubled and Authority-owned multifamily housing developments. Act as liaison between the Authority and the Authority's broker for the sale of real estate owned multifamily housing developments.
- Qualified Contract and Regulatory Relief – Complete the qualified contract price calculation process. Analyze requests for regulatory relief.
- Mortgage Resolution – Manage and coordinate complex mortgage payoff, release, discharge, satisfaction and related loan-closing activities for MSHDA financed developments.
- Pre-Final Close – Perform pre-final close mortgage modifications and complex transaction resolution. Perform modifications for new, uncommon and complex funding sources and programs.

Types of decisions made independently and whom or what those decisions affect: The position independently determines appropriate analytical methods for evaluating multifamily portfolio risk within established Authority objectives and requirements. The employee determines what financial, operational, property, market, and historical information is relevant to individual analyses; evaluates the reliability and significance of available information; identifies material risks; and develops recommendations based upon professional judgment.

The position makes significant recommendations concerning Risk Rating classifications, Loan Loss Reserve exposure, financial monitoring, loan modifications, workouts, and other actions affecting Authority-financed multifamily developments.

Types of decisions that require the supervisor's review: Supervisory review is required for recommendations or actions that exceed established policy, delegated authority, approved transaction parameters, or prior Authority practice; involve significant exceptions or financial risk; require legal interpretation; or require submission to an executive, committee, or board-level approval authority. Supervisory review is also required when the employee recommends a course of action that materially changes approved transaction terms or establishes a new precedent.

Physical effort used to perform this job and environmental conditions of this position: No unusual physical effort is required. Work is primarily performed in an office environment with routine use of computers, telephones, electronic records, and financial systems. The position may experience periods of significant work pressure associated with transaction deadlines, closing requirements, financial risk, and the need to resolve complex issues that can affect transaction viability.

Names and classes and levels of employees whom this position immediately supervises:

The essential functions of this position: The essential functions of this position include:

1. Independently conducting the Authority's statewide Multifamily Portfolio Risk Rating Analysis.
2. Performing highly complex financial, real estate, loan, valuation, and portfolio-risk analyses.
3. Developing data-supported recommendations regarding the Authority's Multifamily Loan Loss Reserve.
4. Evaluating the financial condition and risk exposure of Authority-financed multifamily developments.
5. Maintaining and analyzing historical multifamily portfolio data.
6. Monitoring assigned troubled multifamily developments and recommending corrective actions.
7. Analyzing loan modifications, workouts, foreclosure, sales, preservation transactions, and other lender remedies.
8. Communicating complex financial findings and recommendations to management.
9. Coordinating specialized financial analysis with other Authority divisions.
10. Developing and improving procedures and methodologies supporting the Authority's multifamily portfolio risk specialty.

Must be able to remain stationary and operate a computer and other office equipment a majority of the time. Must be able to occasionally move about inside the office to access file cabinets and other office equipment. Must be able to communicate with staff and partners on a regular and frequent basis and have the ability to exchange accurate information in these situations. Must be able to operate a motor vehicle and maintain a valid driver's license.

The function of the position's work area and how it fits into that function: The work area is responsible for: monitoring a portfolio of 40,000+ Authority-financed rental units; ensuring the properties provide safe, decent, and sanitary housing to qualified low and moderate income families; insuring MSHDA's mortgage investment is secure; and ensuring all applicable state and federal laws are followed. This position helps to prevent mortgage defaults by providing an early warning of impending problems and helping to resolve problems before they become a crisis.

Minimum education, experience, and credentials typically needed to perform the position's essential functions:

EDUCATION:

Possession of a bachelor's degree in any major with at least 12 semester (18 term) credits in one or a combination of the following: accounting, finance, or economics.

EXPERIENCE:

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Four years of professional experience equivalent to a Financial Analyst; including two years equivalent to a Financial Analyst P11, Accountant P11, or Auditor P11 or one year equivalent to a Financial Analyst 12, Accountant 12, or Auditor 12.

Alternate Education and Experience

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Possession of a Certificate in Public Accounting (CPA) may be substituted for one year of Financial Analyst P11 experience.

KNOWLEDGE, SKILLS, AND ABILITIES:

- Advanced knowledge of financial analysis, mortgage and loan transactions, financial statements, budgets, and financial controls.
- Knowledge of mortgage payoff, release, discharge, closing, escrow, reserve, and lien-related financial processes.
- Ability to interpret complex loan documents, financial agreements, policies, and program requirements.
- Ability to independently analyze complex financial data, identify risks, develop alternatives, and make sound recommendations.
- Strong analytical, mathematical, organizational, written, and verbal communication skills.
- Ability to negotiate and work effectively with internal and external stakeholders on complex financial transactions.
- Ability to manage multiple transactions and deadlines while maintaining accuracy and appropriate financial controls.
- Ability to use financial, spreadsheet, document-management, and other information systems necessary to perform the work.
- The preferred candidate will also possess experience in fair housing compliance programs.

CERTIFICATES, LICENSES, REGISTRATIONS:

A valid driver's license is required.