



Sustainable Horizons: Navigating Today's Homeownership with Cecelia Raine

VO [00:00:09] Welcome to The Way Home, a Freddie Mac podcast series that explores the latest in mortgage solutions for today's dynamic housing market. Here, housing industry leaders will share insights and actionable strategies that you can put to work today to help make home possible. Let's get ready to dive in and to explore the complexities of the housing market with Freddie Mac.

Phil Treadwell [00:00:32] In this episode, guest host Phil Treadwell, founder of M1 Academy and host of the Mortgage Marketing Expert Podcast, talks with Cecelia Raine, VP of Single Family, Servicing Strategy & Integration at Freddie Mac, about the journey with the Reimagine Servicing collaboration as well as the tools that drive sustainable homeownership in today's environment. All right. Cecelia, thank you so much for taking some time here at MBA Annual.

Cecelia Raine [00:00:55] Thank you so much for having me.

Phil Treadwell [00:00:56] We're excited to have a really cool conversation, and we just obviously got some info on your background, but none of us raised our hand in kindergarten and said, "My gosh, I want to be in the mortgage business when I grow up." So we all have kind of an interesting journey in how we got here. I'd love to know yours, not only how you got in the business and kind of what led you to what you're doing today.

Cecelia Raine [00:01:15] I didn't even raise my hand when I was in college to do that. I actually went to school for hotel management and I was doing that. I had some great opportunities after college, moved to Florida, worked at a resort down there, and I came back up to Buffalo. And shortly thereafter, I met now my husband for many years. And so I was working in the hotel business, which is weekends, holidays, all the fun times, and he was a CFO. So he worked Monday through Friday. And he saw a job fair, he said, "Hey, you can probably do all these things, but it's in a completely different business." So on my lunch hour, I was a front desk manager at the time and I never took lunch, and everybody said, "Is there something wrong you're taking lunch?" Well, I secretly went to a job fair and I got a job offer at a mortgage company. That was in 1986 and I loved it. I did it because I thought the hours would be better, but then I started traveling and learning and absolutely loved it. So I've never looked back.

Phil Treadwell [00:02:24] I was sharing this story earlier. I answered a newspaper ad almost 20 years ago, and the owner of the company at the time, we did supposed to be a 30-minute interview, turned into about a three-hour conversation and he said, "If you



decide to get in this business, you're going to look back at this conversation one day and cuss me, because once you get in the mortgage business, it's really tough to get out of it."

Cecelia Raine [00:02:44] Right. You don't get out because you become embedded, especially if you love it, and there's the people. And so the reason I went into it was unusual, but I stayed for all those reasons and the opportunities, and just the industry has grown so much.

Phil Treadwell [00:03:00] Well, tell me about your journey with Freddie Mac as far as how you ended up ending up at Freddie and kind of what your main role is today.

Cecelia Raine [00:03:08] I ended up at Freddie Mac. I worked at a tech company and I was handling the GSEs were accounts that I worked with. And so I had the opportunity to meet with them, but also a gentleman who I worked with came to work at Freddie Mac. And just in conversations when you know people, opportunities come up. And I'm a change agent, and they were talking about potential innovation and servicing, and that's what I did for my career. And just a door opened, and it was something new and different, and I stepped in the door and that was how I got here. And I don't think that when I was hired, they really knew. They just knew these leaders wanted to make investments in servicing, and how are we going to go about that? So we set up a vision and went and talked to the industry and said, "Do you want to go on this journey with us?" And they said yes, and here we are. We've rolled out some great new technology and it's been an amazing journey.

Phil Treadwell [00:04:07] That's awesome. So in 2019, Freddie Mac started the journey to reimagine servicing, to advance the servicing industry through collaborative technical innovation. Kind of tell us about your vision, where you're now with the innovation journey, and how you partnered with stakeholders to get here.

Cecelia Raine [00:04:24] Our vision really when you step back, it was about Freddie Mac and keeping losses as low as possible and transforming the experience of servicers to do business with us and ultimately the homeowners experience. We're mission oriented, so that it was a part of the equation in the vision, and reduce costs, just make things better in the servicing space. There hadn't been investments in a very long time. Then we said, "Well, in order to create this vision, we have to talk to our stakeholders. We can't do this alone." This was going to be ecosystem type changes. So we took a customer experience approach, CX approach, and just went out and listened to employees at Freddie Mac, the leaders at Freddie Mac, "What do you really need? How can we do things differently?"

Then we went out to the servicers and we asked them the same questions, "What do we need to change? What needs to get better?" Then they said, "You need to work not just



with us, but with our technology business partners." And then the mortgage insurance companies came into the equation and we did it together. We had a single vision. We prioritized what we knew we needed to change. We needed to be ready for another crisis. We knew something would come, there's always cycles. And so we just started laying out the plan and you have to execute on the plan and stay focused, and that's what we've done. We've done it together with all of those partners. We couldn't have done it without them.

Phil Treadwell [00:05:53] For sure. And I think what they say that out of crisis breeds innovation. And so-

Cecelia Raine [00:05:59] Yes, exactly, and lessons learned. Don't repeat those same mistakes again. And that was part of the leaders who brought me in and asked me to lead this, was exactly that. Then we can't let what happened in the past. And a lot of it was not anyone's fault -- it was just tools that were there at the time, things happened that were out of people's control. So they said, "While we have this downturn and we don't have heavy delinquency, now is the time to look at our lessons learned, make the investments, and make the change."

Phil Treadwell [00:06:29] That's well said. What is your process of co-developing your tools with external stakeholders and also how can interested stakeholders get involved in that partnership?

Cecelia Raine [00:06:39] So the co-development, it's through the CX model. So what happens is we go out, we set the priority, and we say, "What are we going to focus on?" Whether it's loss mitigation, is it in the mortgage insurance claim space when borrowers want to cancel their MI when we are reimbursing services for the expenses they've advanced on our behalf? So we laid all of that out. We actually also set up a portal for how can you come and access our tools. So we gather insights. There's a very systematic way of doing that. We capture all of that, we run those trends, then our product team develops prototypes and we go back to the servicers and we say, "This is what it looks like. Does it feel right to you?"

We have design sessions that we actually have had servicers join us. In the CX world, you have personas, and we said, "Let's just bring them in and have them develop with us," and also the business partners. That was an important part of it that the tech providers were involved as well. And how anyone can get involved is they just go to freddiemac.com, we have Reimagine Servicing. They can search that, and everything is there how do you get involved. And you can always just contact me, Cecelia Raine, I'm on LinkedIn. We are agnostic to any system. It's like a LEGO System. We'll connect to whatever is there and we'll build upon it together with the partners.



Phil Treadwell [00:08:03] That's awesome because it makes it that much easier for people to want to get involved because it's not our way or the highway, and a lot of technology solutions can be that. Tell us about the tools that drive sustainability and improved portfolio performance.

Cecelia Raine [00:08:17] So all the tools that we've developed, we've invested in them for exactly that reason. They have something to do with managing our portfolio, keeping losses down, reconciling data with all of our partners. An example I can give you when it comes to sustainability is Resolve. It's our loss mitigation default platform. And that is when a homeowner's facing hardship for whatever reason, whether it be a disaster, they have something happen in their life. There's many different reasons for that. And we needed to make it easier for our servicers to make a decision, get a decision from us, and do that in real time. We've learned so much from our servicing partners. They have created self-service borrower portals where a homeowner can come in and look at things on their own time. They don't have to necessarily call into a call center, and they've connected our tools to their tools. Their tech stacks are allowing for that. And we're getting there. We're starting to see e-signature for loan modification. So you have a full digital. We have a couple servicers who are teaching the rest of us how to do that. And we even have servicers who have responded to disasters, and they've gone boots on the ground and had the ability to go and take iPads and meet with homeowners and say, "Look, you had this disaster and we want to be able to give you an answer now today." And so that's about the homeowner that meets the mission of sustaining that. And we're looking into borrower education, and educating borrowers when they're performing, not necessarily a reaction if they're not performing.

Phil Treadwell [00:09:55] You mentioned earlier about different crises in the cycles that happen, and you talked about natural disasters or whatnot. Whenever major natural disasters, Covid, economic instability, rising costs, all of those things have tested tools in servicing. What have you learned from those? Because you're talking about how through crisis breeds innovation and things of that nature. What have you learned and then how are you guys kind of preparing for any potential future events that arise?

Cecelia Raine [00:10:27] So what we learned is you have to be ready. You have to think about it ahead of time. You have to plan for it. And when you have a digital capability where a homeowner can react in their own time, they can self-serve, that's imperative. And also the connection to existing tools. Not trying to build from the bottom up, but actually connecting to what the servicers have already invested in, their technology firms that they work with, how can we leverage what they already have and plan ahead and be ready for that? Make sure our policies are flexible and that we're building the rules of those policies into our tools so we can own that decision and support the servicer when something like that comes up. We have to react together, be in constant



communication. We have servicing advisory boards. Through Reimagine Servicing, we have regular routines. So we're listening constantly-

Phil Treadwell [00:11:28] Sure.

Cecelia Raine [00:11:28] ... and we all talk about being ready for whatever's coming because it's not just us. We can't be ready as Freddie Mac and not talk to the servicers or their business partners. We all have to be ready.

Phil Treadwell [00:11:40] Couldn't agree more. Response time is obviously very crucial for borrowers, especially during difficult times. How are you guys working with servicers to provide that immediate relief as things come up or as they have questions when they see those on the horizon?

Cecelia Raine [00:11:56] So it's the power of real time data. So moving away from the legacy process of having to submit documents all the time, using that information that you can pull from other data partners and that allows you through APIs direct integration to make a real time decision. So if you finally get ahold of a homeowner that isn't self-serving, so they don't use the self-service portal where they can input information, but you have to actually speak to them. At that point when you're talking to them, you need to get them the information they need and get them those answers. You don't want to have to have a callback or a follow-up. So being able to give those responses in real time has been a differentiator. And not only that, the transparency of what's the decision and why it isn't always yes. And if there's no, what's the alternative?

Phil Treadwell [00:12:51] And necessarily no, but maybe not now or here's some context for it.

Cecelia Raine [00:12:55] Right. Or this is what you need to do to get to the yes. That transparency is so important. And if we're making the decision, we need to give that transparency to the servicer.

Phil Treadwell [00:13:04] One of the things I love about that is in today's day and age, in other verticals, in other industries, there is a lot of times better technology, more communication, more contextual use of data, and Freddie Mac is really rising to the forefront of that, to not only just harness the data, but also use it in a way based upon, for lack of a better term, human behavior is and how we're expecting as consumers and borrowers to be communicated with. So I think that's really good. Your team at Freddie Mac has pushed to go beyond what you thought was possible, especially in this communication, these initiatives, the technology partners. What's next?



Cecelia Raine [00:13:47] So how are we going to go beyond? So we were re-imagining servicing. We have a couple years to go. We're a few years into the journey. We have to keep the promises that we've made to our servicers, to all the partners that are helping us get here. And so how we're going to go beyond is it's not just tech, it's process, it's policy, it's optimizing what we've put out there, learning from each other so we can take advantage of the investments we've made. We would like to offer a full digital experience for a homeowner who comes upon a hardship. They get that in the front end, they get that in anything else they're doing in life. They're able to do things on mobile, they're able to self-serve, e-sign, and we want to bring that to them. We have some servicers who have actually done that in the loan mod space. We're so proud of them and we're learning from them to try to spread that across the industry. So how we go beyond is just take it to the next level, take everything we've done together and elevate it.

Phil Treadwell [00:14:48] Love that. Collaboration is key. The last question I have for you is, obviously our industry a lot of times kind of has a stereotypical, it's an aging industry, what's the average age of this or that or whatnot. But there's really this new generation of young mortgage professionals across all parts of the space that are hungry to really continue to pursue the cause of bringing mortgage into a more modern and relevant era. What's pieces of advice that you could give someone who's either early in their career or potentially even looking at the mortgage industry as far as not only how to get involved, but to make an impact toward the cause that we all have of helping people achieve the dream of homeownership?

Cecelia Raine [00:15:23] So the first thing I would say is there are a lot of young and up and coming professionals. We have college interns. I've had them on my team. They do amazing work. They're smart. They think outside the box. They're not tainted by the way we've done things for decades. So they come in with fresh perspective and they're so tech-savvy. We had-

Phil Treadwell [00:15:44] My coach used to call that stinking thinking.

Cecelia Raine [00:15:46] Yeah, we've really had some great... And I've hired college analysts. I mean, just they're hungry. And so stay hungry. If you're interested in the mortgage industry, go out and volunteer, learn about what does that mean, educate yourself, go to the borrower counseling sessions and learn what is it that we're teaching homeowners, and show that interest by... I mean, we have jobs all the time out on freddiemac.com, and there's all different levels too. So you don't necessarily have to have been in the industry forever to get a really good job here. Bring those skill sets to the table and say, "How can I take..." We hired someone on my team from the railroad industry and he did logistics, and he is just a rock star. He hasn't even been here a year and the things that he's done, he took his skillset from that industry and brought it to us.



So just keep yourself open, be open-minded, and just go out and volunteer, educate yourself and give us a chance, give the industry a chance.

Phil Treadwell [00:16:47] Absolutely. Stay humble, hungry and smart.

Cecelia Raine [00:16:49] Absolutely. I was speaking to a group recently and they said, "I'm young in the industry, and what's your advice for me? What are the skills you're looking for?" And it's integrity, and leadership, and respecting each other, knowing you're always going to work on a team. Even if you're an individual contributor, you're on a team and embrace the mission. There's nothing stopping us, the power behind that.

Phil Treadwell [00:17:15] Love that. Cecelia, you've been an incredible guest. You'd mentioned your LinkedIn. Is that the best way for people to connect with you, to learn more about what you're doing or to ask questions?

Cecelia Raine [00:17:23] Yes, always on LinkedIn and you can also go to [freddiemac.com](https://www.freddiemac.com), Reimagine Servicing, and I'd be happy to talk with anyone that has interest and there's links there. You can see all the things we've been doing, and different case studies, and different thought leadership articles with all the partners that we've done this with. We haven't done this alone, and we're grateful for everyone who's gone on the journey with us.

Phil Treadwell [00:17:47] Love it. Well, thank you so much for your time, and I look forward to catching up again soon.

Cecelia Raine [00:17:50] Thank you, Phil.

VO [00:17:50] The Way Home is brought to you by Freddie Mac, where we make home possible. For more thought-provoking discussions and expert insights, join us for upcoming episodes by following The Way Home on your favorite podcast platform. Connect with us on LinkedIn @freddiemacsf. You can also sign up for our newsletters by navigating to our subscription center at sf.freddiemac.com.