

A Saturday Morning of FHA Streamline, Investor, Training, Agency, Conference, and M&A News

By: Rob Chrisman | Sat, Jun 16 2012, 1:30 PM

The **lender/investor/M&A/vendor/training/conference updates** keep coming. As always, it is best to read the actual bulletin, but these recent notes should give folks a flavor of the trends. Frankly, I just don't know how underwriters keep up with things!

First a quick correction to yesterday's lender updates: I confused **PennyMac** with **PMAC** on news regarding "all new DU Refi Plus loans over 125%". This product is not offered by PennyMac, but is offered by PMAC.

U.S. Bank's Wholesale Group got the word out Friday, "Changes on Streamline Refinances went into effect with Case Number Assignments issued on or after Monday, June 11, 2012. Streamline Refinance loans that are refinancing FHA loans endorsed on or prior to May 31, 2009 will have a reduction of the UFMP to .01% and the monthly MIP will be .55%. The endorsement date can be found in the FHA Connection on the following screens: Case Query, Refinance Authorization and Refinance Query. All other Streamline Refinance loans that are refinancing loans endorsed after May 31, 2009 are subject to the new UFMP effective April 9, 2011 as well as the new annual MIP rates. *U.S. Bank Home Mortgage Wholesale Division will no longer accept any new registration or locks for **FHA Streamline Refinance** loans that ARE NOT refinances of existing USBHMFHA loans currently being serviced by U.S. Bank Effective Friday, June 22, 2012.* This applies to all CUSB, Table Fund and Purchase Fund Lenders.

On the other hand, **Plaza Home Mortgage** sent out, "In spite of recent investor changes in the FHA streamline refinance program, Plaza is continuing to accept FHA streamline's under our current published guidelines."

In recent **M&A and take-over news...**

Community Bank Investors Bancorp will acquire Piraeus Bank S.A.'s Marathon Bank for \$135mm, or about 1.45x tangible book. First Virginia Community Bank will buy 1st Commonwealth Bank of Virginia in an all-stock transaction valued at about \$3.7mm. First-Citizens Bank & Trust has sold its asset-based lending and factoring loan portfolio to Crestmark Bancorp for an undisclosed sum. First Citizens will continue to offer these services to its customers in partnership with Crestmark.

BNC Bancorp, parent company of Bank of North Carolina, has signed a merger agreement with the Charlotte, NC-based First Trust Bank, which has \$436 million in assets. The deal is valued at about \$35 million and will add three new branches to Bank of North Carolina in Charlotte along with \$228 million in loans and \$374 million in deposits. This transaction is Bank of North Carolina's latest in a series of strategic acquisitions, which have expanded its reach across the Carolinas to Myrtle Beach, Asheville, Greenville, Durham, Cary, and Chapel Hill, and was handled by Keefe, Bruyette & Woods.

In another KBW deal, Chemical Bank, a subsidiary of Chemical Financial Corporation, has agreed to purchase 21 branches from Independent Bank in northeast Michigan and Battle Creek. The deal will comprise about \$420 million in customer deposits and \$40 million in loans, and Chemical Bank plans to pay a deposit premium of 2.93% of deposits and acquire the loans at a 1.75% discount.

Trustmark Corporation and BancTrust Financial Group, Inc. have signed a merger of BancTrust's 49 Alabama and Florida offices into Trustmark. The deal will comprise \$1.3 billion in loans, \$1.8 billion in deposits, and \$55.4 million in common stock. The transaction, another one by KBW, is expected to close in late 2012. And Berkshire Hills Bancorp, Inc. and Beacon Federal Bancorp, Inc. have signed a definitive merger agreement that Berkshire will acquire Beacon for approximately \$132 million. East Syracuse-based Beacon comprises seven offices with deposits of \$677 million, while Berkshire currently has three offices in the region. Beacon's Chelmsford, MA office will serve as Berkshire's first Eastern Massachusetts office.

Moving on to investor updates, **GMAC** has increased the charge on Jumbo Fixed and ARM products for Cash Out and LTVs of over 75% from -0.500 to -0.625. This took effect on June 8th.

Stearns Lending has published its updated Lock-In Policy, which went into effect on June 4th. The policy outlines lock periods, lock changes, the Float Down option, the Extension option, relocks, and confirmations and provides an FAQ section. To read the policy in full, visit [here](#).

For Portfolio DU Refi Plus and Portfolio DU Refi Plus High Balance loans, Stearns has reduced the maximum LTV to 105%. All loans with over 105% LTV that have an Approved status can continue as approved, and all locked pipeline loans with over 105% LTV will be honored. Loans that are over 105% LTV that have been registered, submitted, or received by underwriting are required to have a Property Inspection

Waiver. The requirements for CLTV and HCLTV remain the same.

MSI is re-introducing its Conventional Jumbo product. As a reminder, all loans must be submitted to and approved by the applicable AUS, submitted to MSI for a full review of RESPA, and then submitted to a third party underwriter.

Pricing solution and product eligibility provider **LoanSifter** received an Innovation Award from the Progress in Lending Association for the LoanSifter AMRi real-time mortgage rate index. The index gets its results from using the LoanSifter search engine, which mines the database for data from 25 major wholesale and correspondent lenders.

Mountain West Financial reminded brokers of a few summer deadlines. In order for refinance transactions to fund in June, the full submission package was required no later than June 14th so that initial disclosures may be sent out. All refinance transactions should be submitted for underwriting by 3:00PM on the 14th, and all PTD conditions for refinancing must be submitted no later than June 19th. The latter are required to be signed off for underwriting by the afternoon of June 21st, which is necessary for the documents to be drawn with an August 1st payment. For TILs that must be re-disclosed due to a 1/8th variance in the APR, the borrower should have consented to the electronic delivery of re-disclosure by email on the 19th. MMF will be taking document requests for August 1st payments on regular refinance or purchase transactions until August 1st, while requests for special programs should be made prior to June 27th. Refinancing documents must be signed by June 22nd in order to fund by the 28th and then record by the 29th; documents signed after June 23rd will not be reviewed by MMF, resulting in the loan not closing in June. For loans whose documents were drawn in June that don't fund by July 6, 2012, there will be a full redraw.

MMF has updated its Annual and Up-Front Mortgage Insurance Premiums to reflect changes to base loan amounts for FHA Jumbo loans.

In response to the Supreme Court's ruling on RESPA Section 8(b), law firm **Ballard Spahr** offers a webinar titled "The Fate of Mortgage Fee Mark-Ups After Freeman vs. Quicken Loans" on June 18th. The role of the CFPB in prohibiting or limiting fee mark-ups, the implications of the ruling, and the extent of the power of state law will all be discussed. More information and registry links [can be found here](#).

The **Colorado Mortgage Lenders Association** is hosting its 39th annual convention in Vail, CO on August 8th and 9th. Registration information can be found at [here](#), while sponsors can [register their interest at here](#).

With the July 23rd deadline fast approaching, **Fannie Mae is providing webinars** on transitioning to the new ULDD. Register at <https://www.efanniemae.com/sf/refmaterials/prodmortcodes/>.

Along with its loss mitigation webinar series, the **FHA's National Servicing Center** is offering live courses in Oklahoma City, OK on August 15th and 16th. Designed for HUD-approved mortgagees, HUD-approved housing counselors, and non-profit housing counselors, the event will cover delinquencies, defaults, mortgage collection activities, and initiation of foreclosure as outlined in the HUD handbook. Interested parties can [register here](#).

From August 13th-17th, the NeighborWorks America Training Institute will be providing a variety of development courses for housing counselors, non-profits, and community development professionals in Cincinnati, OH. [Register here](#).

MGC is hosting a number of online training events throughout June. Appraisal training will take place on June 21st and MGIC MI basics on the 12th and 22nd. A webinar titled Putting the Pieces Together: Processing Mortgage Apps will take place on June 13th. Self-employed borrower training for both the AGI method (June 26th) and SAM method (June 18th) is also available. The advanced AGI and SAM webinars will take place on June 12th and 13th, respectively.

Everyone should know by now that FHA Streamline Refinance loans with case numbers assigned on or after June 11th will be subject to the new mortgage insurance premium structure. The Up-Front premium will be 0.01%, regardless the base loan amount, while the Annual MP will be 55 bps. Lenders may request FHA case numbers for Streamlines with reduced MIPs from June 11th and will be permitted to cancel existing case numbers provided that they're for Streamline refinance mortgages that have not yet closed and were endorsed on or before May 31, 2009. Case number assignments are predicted to take longer than normal due to a high volume of requests.

Previously Fannie Mae had allowed lenders a 90-day repurchase and make-whole requirement, effective until June 30th. This extended repurchase accommodation, in which lenders can complete a repurchase or submit any documentation necessary to back up a formal appeal, will now be effective until December 31, 2012. Fannie has also postponed the effective date for implementing the new lender-placed property insurance requirements, which had previously been set at June 1st. Communication on the new effective date is coming

soon.

New foreclosure prevention job aids are available on the Fannie website. The [Know Your Options Marketing Storefront](#) includes free marketing materials like brochures, letters, flyers, and pocket folders that can be customized and printed directly.

The Fannie Sellers Guide has been updated to include clarifications on flood insurance, liability insurance on attached condos and PUDs, an update on the Conventional PUD Questionnaire, FHA netting escrows, refi authorization, and DU update on government loans.

The Freddie Mac Standard Modification interest rate will be lowered from 5% to 4.625% for new trial period plan evaluations conducted on July 1st and after, and services are encouraged to begin using the new rate as soon as possible. The fixed interest rate should be used when evaluating borrowers to determine eligibility, the terms of a trial period plan payment, and final modification.

Phew! That's enough for a Saturday morning!

Quotes for Father's Day (Part 2 of 2)

"Every mother generally hopes that her daughter will snag a better husband than she managed to do...but she's certain that her boy will never get as great a wife as his father did." Anonymous

"A king, realizing his incompetence, can either delegate or abdicate his duties. A father can do neither. If only sons could see the paradox, they would understand the dilemma." Marlene Dietrich

"My father didn't tell me how to live; he lived, and let me watch him do it." Clarence B. Kelland

"One father is worth more than a hundred schoolmasters." 17th century English proverb

"Blessed indeed is the man who hears many gentle voices call him father!" Lydia M. Child

"Sometimes the poorest man leaves his children the richest inheritance." Ruth E. Renkel

"You don't have to deserve your mother's love. You have to deserve your father's. He's more particular." Robert Frost

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