

# Upcoming Events; Quicken vs. The U.S. Government; Agency Fee Changes - Much Ado About Nothing?

By: Rob Chrisman | Mbn, Apr 20 2015, 9:31 AM

There is a lot going on in terms of upcoming events. In no particular order...

Due to the high demand, Genworth has grown its live **RESPA-TILA webinar** offering. The course introduces the new TILA-RESPA Integrated Disclosures (TRID), also known as the "Know Before You Owe" disclosures, which are replacing current standard disclosure forms—Good Faith Estimate (GFE), Truth in Lending and HUD-1. The timeline for disclosure introduction, implementation and regulation will be covered as will applicable online resources for more detailed information. Genworth will also address the new definition of an "Application." [Registration is open now](#) and requires participation via web conference and telephone. Dial-in instructions are provided. May 1, 3-4PM EDT.

The Greater **Sacramento CAMP** Chapter and its event partner Plaza Home Mortgage are welcoming Ginger Bell from Strategic Compliance Partners and Go2Training. In this seminar you will learn all about the **TILA-RESPA Integrated Disclosure** and will get tools to train your business partners. The new forms are required on Aug 1. This is a **FREE** event for those who pre-register. For a complete event description and to register, go to our event page: [EVENT PAGE](#) Thursday, Apr 23, 8:30-11 AM at the Sacramento Association of Realtors - 2003 Howe Ave, Sacramento. For more information please contact the Sacramento chapter president [Leo Whitton](#).

Plaza Home Mortgage and Essent are pairing up for a 1-hour webinar on **asset documentation**: "This module will look at eligible sources for funds to close and reserves (if applicable) as well as the requirements for asset documentation. The course is designed so the participant gains an understanding of eligible and ineligible sources of funds, interested party contributions (IPCs), what constitutes a "large" deposit, using retirement funds for closing vs. reserves, earnest money deposits and acceptable documentation for assets. [Click here to register](#).

Transitioning from being a **broker to mini-correspondent lender** may bring additional scrutiny from regulators, possibly resulting in costly violations. On April 27-29, **AllRegs** will help to ensure compliance with the latest banking regulations governing privacy and fair lending laws as well as origination compensation in its three day class. Course instructors will provide an overview on building an effective business plan, discuss proper protection of confidential information, ensure your policies are non-discriminatory, and ensure your loan origination compensation plans meet all requirements. Click the link for information and registration on [AllRegs Broker to Banker 3-day class in Irvine CA](#).

Looking to enhance underwriting knowledge and abilities by taking a deeper dive into **FHA TOTAL Scorecard requirements**, and those scenarios in which a manual downgrade is required? [This course](#) will consist of scenarios that address challenges present in today's market. It will also include the "Red Flags" as identified by FHA, which require a much deeper review of the documentation.

Obtain the latest insights on federal and state litigation trends, including recent cases, claims and enforcement actions involving our industry at the [MBA's Legal Issues and Regulatory Compliance Conference](#), May 3-6 in Chicago.

The Maryland Mortgage Bankers Association's 66th Annual Conference will be on May 7th in Annapolis, MD. Feature Speakers include Brian Chappelle, Founding Partner of Potomac Partners, a leading Mortgage Banking Consulting Firm and Gary Williams, former U of MD Head Basketball Coach and recent Hall of Fame inductee. The conference will also include 2 informative mortgage lending panels including Young Mortgage Bankers and Leading Mortgage Executives. The theme of this year's conference is "Doing it the Right Way". For more information go to <http://www.mdmba.org> and click on Annual Conference."

Lenders: don't be the last one on your block to have a lawyer on your staff! And for any lender who doesn't want to, or can't afford to, deal with legal issues, well, there's always a) going out of business, b) merging with another company, or c) being acquired.

Let's start with something simple, like [a bill introduced last week](#) to **amend** the Real Estate Settlement Procedures Act of 1974 to **prohibit** certain financial benefits for referrals of business and to improve the judicial relief for certain violations, and for other purposes.

But the big recent news: Quicken Loans, the nation's largest Federal Housing Administration (FHA) mortgage lender, [filing suit in Federal District Court](#) against the United States Department of Justice (DOJ) and Department of Housing and Urban Development (HUD). "The company was **left with no alternative** but to take this action after the DOJ demanded Quicken Loans make public admissions that were blatantly false, as well as pay an inexplicable penalty or face legal action."

The Wall Street Journal noted that, "Because lenders must certify that the FHA-backed loans they make **have no errors**, the government has sometimes pursued damages under the False Claims Act, a Civil War-era law that lets the government recover triple damages. That's led to what some banks say are onerous settlements for minor penalties. Rather than audit banks' entire loan portfolios, the Justice

Department also tends to extrapolate mistakes based on a sample, another practice that has drawn some banks' ire. 'The risks of doing FHA loans for lenders is too high and marks a low point when a Quicken Loans has to fight back,' said David Stevens, president of the MBA, which lobbies on behalf of lenders. 'This has gone too far and will only hurt consumers' access to credit.' A Quicken spokesman in an email said that the company would continue to make FHA loans in the near term and that "like nearly every lender in the country, we will be evaluating the prudence of our continued participation with FHA." Maybe [they should talk to Chase...](#)

Libertarian originators and industry analysts were quick to write to me...

"God bless Quicken for having the money, determination and principle to become the aggressor in this matter. The DOJ and HUD **should not be allowed to blackmail** and strong arm those doing it best. I have been brokering loans to Quicken for about 5 years and have found them to be of the highest quality to partner."

"It takes the biggest to even attempt something like this. Needless to say, I hope it works. Other lenders and I have spoken and believe there should be a remedy for consumers that will be damaged by the new archaic rules being implemented on 8/1/2015. A purchase cannot be treated like a refi at closing. When the consumer is financially damaged by the poorly thought out, arrogant rules issued by the CFPB, they should be able to recoup their losses from the CFPB."

And for Agency news, to the surprise of no one the Federal Housing Finance Agency (FHFA) released [the results of a comprehensive review](#) of the Fannie and Freddie guarantee fees. In short, the review findings were that there is no current compelling reason to change the current g-fee structure... with a couple of notable exceptions. First, seven years after its implementation in 2008, the 25 basis point upfront adverse market charge is to be removed. The FHFA is also setting aside its December 2013 decision to retain the adverse market charge in certain high foreclosure states. And the FHFA is applying targeted and small fee adjustments to a subset of Enterprise (Fannie and Freddie) loans. This includes small fee increases for certain loans in the LTV/credit score grid and certain loans with risk-layering attributes (i.e. cash-out refi, investment properties, secondary financing, and jumbo conforming.) But to repeat, "As a result of FHFA's review of guarantee fee levels, the agency concludes that the current guarantee fee level is appropriate under current circumstances." And before anyone becomes all riled up, the changes to the LLPAs will be implemented for all loans purchased or delivered into MBS pools issued on or after September 1, 2015.

One cynic said, "They took away the adverse market fee but added a bunch of other fees based on purchase date - not commitment date - seems like a lot of fuss about not much." Most will see this as favorable - at least the FHFA removed the onerous adverse market fee and appear open to market input - but this will not generate a large systemic change in pricing/rates, and in that there will be little or no change for most borrowers.

With all this excitement who cares about the bond markets? Someone might - and there isn't much volatility - and for news this week we've had the Chicago Fed National Activity Index (-.42), zip tomorrow, Wednesday are the FHFA House Price Index and Existing Home Sales, Thursday is Initial Jobless Claims & New Home Sales, and Friday is Durable Goods. For numbers we closed the 10-year at 1.85% and this morning we're at 1.87% with agency MBS prices roughly unchanged depending on coupon.

Great Trick!

A Realtor and a loan officer go into a pastry shop.

The Realtor whisks three cookies into his pocket with lightning speed. The baker doesn't notice.

The Realtor says to the LO: "You see how clever we are? You LOs can never beat that!"

The loan officer says to the Realtor, "Watch this, any LO is a whole lot smarter than that!"

He says to the baker, "Give me a cookie, I'll show you a magic trick!" The baker gives him the cookie, which the LO promptly eats.

Then he says to the baker: "Give me another cookie for my magic trick." The baker is getting suspicious, but he gives it to him. He eats this one too.

Then he says again: "Give me one more cookie..." The baker is getting angry now, but gives him one anyway.

The LO eats this one too.

Now the baker is really mad, and he yells: OK... And now where is your famous magic trick?"

The LO says, "Look in the Realtor's pocket!"

## Jobs and Announcements

**Stonegate Mortgage** is hosting a job fair at its [Dallas, TX location](#) on Wednesday, April 22<sup>nd</sup> from 3:30 - 7:00PM CST. Stonegate is actively seeking numerous positions for their new Direct to Consumer divisions in both sales and operations and TPO Operations. The job fair will provide two informational sessions throughout the event. Applicants are encouraged to learn more about current career offerings by [clicking here](#).

**HomeStreet Bank** is "one of the largest community banks in the Pacific Northwest, with mortgage operations in Washington, Oregon, Idaho, Arizona, California and Hawaii. Since we began in 1921, we've stayed focused on what we believe is most important: building long-term relationships with our customers and providing ongoing support to our communities. We are seeking to hire Sr. Underwriters for our expanding CA locations (Newport Beach, Pleasanton, Roseville) as well as our WA locations (Federal Way, Spokane, Lynnwood, and Seattle). Successful candidates will have a minimum of 5 years underwriting experience and their DE certification and/or LAPP certification. [HomeStreet Bank](#) offers a competitive compensation & benefits package (including comprehensive health care coverage and an employee matching 401(k) plan) and is an Equal Opportunity/Affirmative Action Employer. Minorities, females, protected veterans and individuals with disabilities are encouraged to apply. Please [use this link](#) the following link below to search by location and apply online."

Congrats to [Phil Tocci](#) who recently joined Academy Mortgage as a District Manager. In this role, Tocci will help lead the growth in Loan Officers and Branches in the company's New England District. Tocci brings to Academy more than 30 years of experience in the mortgage banking industry including his time at NE Moves Mortgage where he was a Senior Vice President and General Sales Manager. In December 2014 Mortgage Professional America Magazine named Tocci one of its Hot 100 for 2015, an annual list of people who made waves in the mortgage industry over the previous year. [Academy Mortgage](#) is one of the top independent purchase lenders in the country as ranked in the 2014 CoreLogic Marketrac Report. The company is headquartered in Sandy, Utah, has more than 200 branches and 2,100 employees across the country, and is licensed to originate loans in 47 states and the District of Columbia.

**Mortgage Capital Trading** (MCT) has brought [Joel Dulmage](#) on board to manage its Midwest territory. Joel will be overseeing IL, IN, OH, IA, KS, NE, SD, ND, CO, WY and MT for MCT, a risk management and advisory services firm which provides hedging strategy and loan sale execution support to clients. Congratulations!

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