

Ditech Layoffs, Stonegate Earnings; Documentation Requirements Continue to Change

By: Rob Chrisman | Wed, May 11 2016, 9:13 AM

The other day I was reading about customer loyalty programs. My cat Myrtle was sitting nearby, and seemed to have a look on her face as if to ask, "How about we buck the trend and create a 'customer disloyalty' program?" Seriously, it is hard for a non-bank residential lenders to offer loyalty programs, but depository banks certainly have that tool up their sleeves. For example, here's an example of [cheaper auto loans for depositors](#).

In other company news, **First Guaranty Mortgage Corp. is acquiring goodmortgage.com, an online mortgage lender**, as FGMC plans to expand its digital presence. As reported by HousingWire, Goodmortgage.com was founded in 1999, and provides residential mortgage loans in 18 states and Washington, D.C. According to the company, goodmortgage.com was one of the "early pioneers" in online direct consumer lending, and its robust online lending platform made it attractive to FGMC. Goodmortgage.com is based in Charlotte, North Carolina, and until this sale was company was privately held and run by its founder & CEO, Keith Luedeman.

On the flip side, **Ditech Financial**, a division of Walter Investment Management, [announced layoffs](#) of over 100 people in its collections department in Missouri. Like other lenders, with the number of troubled loans diminishing the industry needs fewer personnel in this channel.

And in keeping with publicly held companies whose earnings have been marred by servicing value changes, **Stonegate Mortgage Corporation's** earnings failed to meet estimates. Its operating EPS excludes a \$35.7 million negative MSR (mortgage servicing rights) mark, \$0.3 million of stock comp and severance, and includes (\$1.6) million of tax adjustments. Analysts pointed to the usual culprits for not meeting forecasts: lower gain on sale income, lower interest income, and lower loan origination fees - all rarely a recipe for success. For example, Stonegate's gain-on-sale margin came in at 119 bps, up from 100 bps last quarter but below what some were hoping for. Mortgage origination volume fell to \$1.94 billion from \$2.27 billion in 4Q. Interest rate locks per day averaged \$49.5 million in 1Q versus \$44.1 million in 4Q15, and SGMs average origination volume per business day was up 18% Y/Y to \$36.8 million in April and average mortgage loans locked per business day was down 1% Y/Y to \$49.2 million in April. Its servicing portfolio was \$18.1 billion of UPB, up from \$17.5 billion in 4Q. Servicing fee income of \$13.4 million was down from \$13.8 million in 4Q.

While we're on Stonegate, it recently announced that Robert O'Branovich has been named Mid Atlantic Regional Sales Manager. "In this role, he will lead the Mid Atlantic Region's Third Party Origination sales teams, selling products in the company's four TPO channels - broker, non-delegated correspondent, delegated correspondent and bulk mandatory. He will report directly to John Pantalone, SVP TPO Eastern Division."

Stonegate's, and every other lender & investor's, **documentation requirements, policies, and procedures continue to change**. Let's take a look at a recent sampling of alterations.

AmeriHome has partnered with AllRegs by EllieMae to provide an additional publication platform for AmeriHome resources, through the [AllRegs Online Investor Library](#). All AmeriHome announcements and documents will continue being published on SellerWeb as it will continue to be the official publication site for AmeriHome announcements, guides, and related resources.

A while back **Ethos Lending** received guidance from The California Bureau of Real Estate and its investors. Ethos can accept a borrower-signed copy of the Ethos-issued Loan Estimate AND a borrower-signed copy of the CA Bureau of Real Estate Disclosure as an alternative form of compliance with the state's requirement. There are two different ways in which to meet the requirement. Provide the MLDS prepared by the broker and signed by the borrower **OR** Provide a borrower-signed copy of the Ethos-issued Loan Estimate AND a borrower-signed copy of the CA Bureau of Real Estate Disclosure. Both of these items are included in the initial disclosure package.

To help expedite your file through **LHFS**, please make sure that the "Attestation Clause" box is checked (above signature line). [Click here](#) for the updated form.

PennyMac has created a TRID reminder [highlighting specific delivery requirements](#) to help ensure loans are compliant and purchased in an efficient manner.

Effective for closing packages received April 23rd, **Citi** clarified the requirements for submission of Closing Disclosures with the following update to the Critical Documents listing: In non-escrow states, The Closing Disclosure signed and dated at closing/consummation by all consumers. In escrow states, Option 1: The Closing Disclosure signed and dated at consummation by all consumers, used for final disbursement and identified as such. (For example: Marking disbursement Closing Disclosure with "Final" or "Disbursed".) Option 2: The

Closing Disclosure signed and dated at consummation by all consumers AND the Closing Disclosure used for final disbursement identified as such. (For example: Marking the disbursement Closing Disclosure with "Final", "Disbursed", or "Post-Consummation". Updates and clarifications have also been made to the Document Requirements section for Purchase and Refinance transactions and for Closing Disclosure submission when a change is found after Loan purchase.

Mountain West Financial has updated its requirements on Change in Circumstance procedures.

And **Mountain West Financial's** Veteran's Eligibility must be entered into PriceMyLoan so that the VA Funding Fee is calculated and disclosed correctly. As a Best Practice, it is recommended that the Initial Disclosures be prepared to reflect the highest VA Funding Fee possible until the Veteran's Certificate of Eligibility is received to verify Entitlement. Please refer to the steps found in the Registering a VA Loan and Enter VA Funding Fee in PML how to document located in the How to section of the BOLT Page, or by clicking [here](#).

Wells Fargo Funding clarified its policy on its rate/term refinance definition to clarify that the purpose of any simultaneous secondary financing does not impact the new first lien's classification as a rate/term refinance. In addition, Wells has expanded its policy by removing its six-month seasoning requirement for conventional conforming, cash-out refinances. Also noteworthy, Rels Valuation's Share with Investor function is set to be retired May 20, 2016. Sellers who currently order directly from Rels Valuation and use the Share with Investor function to send appraisal data to Wells Fargo Funding will need to migrate to its Direct Deliver functionality.

Sun West accepts initial loan application and applicable disclosures executed prior to closing using electronic signature ("e-signature") if in compliance with the requirements of the Federal E-Sign Act. At the time of loan submission, you must submit an Audit Trail (such as a Certificate of Completion from an Authorized E-Signature Vendor) available in the HELP section of [sunsoft](#).

CoreLogic announced the upcoming release of [Trestle by CoreLogic](#), a software solution suite that will fundamentally change the offering of multiple listing service (MLS) data to brokers and their vendors. Trestle will be the real estate industry's first "data mart" to benefit brokers, their technology partners, and the MLSs in which they participate. By implementing Trestle, brokers, and the technology providers supporting them, will be able to develop solutions combining MLS content with gold-standard data from CoreLogic, bringing unprecedented power to their websites, mobile solutions and in-house systems. For each MLS, Trestle will provide administrative controls to assure its listings appear only where authorized. Trestle will also maintain RESO standards with respect to the data dictionary and API access, removing a future concern and cost for MLS participants.

Turning to the bond market & rates, the low volatility, low interest rate environment continues. Low volatility lowers hedging costs, a good thing for companies especially if profit margins need to be cut. The trend continued Tuesday despite a sharp rally in global equity and oil markets. There was little news of substance in the United States although the job openings data was better than expected and will allay some investor concerns that the jobs market is cooling off following Friday's release of the April jobs report. And the \$24 billion 3-year Treasury auction was met with strong demand.

Today the lack of news continues, and the mainstream press (no one has ever accused me of being mainstream!) is focused on the government denying the Staples/Office Depot merger. We have to have choices buying copy paper and printer cartridges! Mortgage Bankers Association Applications for the May 6 week rose by +0.4% following the prior 3.4% decline. Refis were up .5% and purchases were +.4%. Refis still account for roughly 53% of overall applications.

Later today you can scrape your pennies and bid on the Treasury's \$23 billion 10-year Treasury auction (results at 1PM EDT). Don't want to tie up your money for ten years and earn only 1.76%? There are plenty of investment opportunities, but none as safe, right? **This morning the 10-year is still sitting around 1.75% with agency MBS prices a shade better.**

Jobs and Announcements

Under the "expansion banner," **AnnieMac Home Mortgage in Mount Laurel, N.J., recently hired an operations team that includes some of the most experienced renovation lending specialists in the country.** AnnieMac, founded in 2011, now employs about 700 people, and includes 50 branches in 30 states. Much of that success comes from an emphasis on renovation lending, which allows borrowers to roll the costs of making repairs into the loan with which they purchase a property. "In just a few short years, we've already become the industry's 14th-biggest renovation lender," said **Jeff Onofrio**, AnnieMac's National Director of Construction and Renovation Lending. "With this new operations team, I have every confidence that we'll be number one before long." The new operations team consists of eight mortgage professionals who will handle virtually every element of the loan process beyond sales, and their expertise will ensure that borrowers get the best service available in the industry.

In sales management, **Michigan Mutual, Inc., an agency direct/seller/servicer/issuer based in Port Huron, Michigan, is currently seeking an experienced Southwest Regional Sales Manager**, who will be responsible in leading its' growing Wholesale Sales teams in Southern California, Arizona and Utah. "If you are a capable mortgage professional seeking an opportunity to join a thriving company with a positive

culture, strong corporate values, and a clear vision for the future, please visit our [careers page](#) to complete an application or contact [Karley Warwick](#), Human Resources Specialist (248.286.9490) or [Al Crisanty](#), Director of Wholesale Lending (916.761.1624).

Carrington Mortgage, "a dynamic and entrepreneurial Mortgage Company is expanding its footprint and operational growth with its state of the art Regional Operations/Sales Center in Plano TX, Westfield Indiana, Anaheim CA, and Windsor CT. We are looking for Top Talent! If you are a Licensed Mortgage Loan Officer, DE Underwriter, Funder, Document Specialist, Post Closing Specialist, Loan Processor or experienced in Mortgage Operations we would love to talk you! At Carrington Mortgage Services you'll discover an open door to opportunity. Exceptional financial strength, products and geographic scope - combined with comprehensive training programs, diversity initiatives, competitive benefits and compensation." Please contact [Carlos Fernandez](#) (949-517-7204).

"Do you put the 'quality' in Quality Control? Do you believe effective quality control is the key to a mortgage company's success? If so, [Castle & Cooke Mortgage, LLC](#) wants to hear from you! **Castle & Cooke Mortgage is currently seeking an all-star Quality Control Manager to join its corporate staff in Salt Lake City, Utah.** This national mortgage lender is experiencing tremendous growth and record production, thanks to its standard of excellence and culture of support. If you are interested in joining this thriving team, **contact Recruiting Director Heidi Iverson** (801-461-7164) at Castle & Cooke Mortgage today!"

And tomorrow REMN Wholesale is helping to host the "Inside The Renovation Studio" Webinar. One of the best ways to convert today's renters into tomorrow's home owners is to leverage the power of renovation lending. And when it comes to reno products, few companies have the expertise that REMN Wholesale does. REMN, in conjunction with National Mortgage Professional, will be hosting a very unique webinar that will answer questions about reno products and present the best ways for marketing them to Realtors, as well as the new generation of millennial home buyers and other renters who simply don't realize the opportunities a renovation mortgage can provide them with. The "Inside The Renovation Studio" video webinar will feature REMN's Carl Markman, Pam Seifert and Damon Richardson in an interactive presentation that will allow viewers to ask questions and receive clarification on reno-related topics. The online broadcast will take place on Thursday, May 12. Due to the nature of how this webinar will be produced, space will be limited, so [register here](#).

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