

Freddie/Fannie news; Jumbo News; Approaching Webinars, Conferences, and Classes

By: Rob Chrisman | Tue, Oct 18 2016, 10:07 AM

Stephen Covey said, "The key is not to prioritize what's on your schedule, but to schedule your priorities." Catchy. Speaking of schedules, my cat Myrtle saved me an internet search by telling me that Daylight Savings Time doesn't end this year until November 6. (We change the clocks again in early March, so we have four months of it.)

Fannie Mae and Freddie Mac have proposed **sharing more risk with insurance companies**, prompting [concerns from bond investors and industry groups](#). "People have memories of the crisis, when state regulators shut down monolines," said Chris Killian, head of SIFMA's securitization group.

Recently the MBA submitted comments in response to **FHFA's RF on the GSEs' credit risk transfer programs**. Its comment letter can be found [here](#), and "emphasizes the need to maintain a level playing field in executing these programs, urges the GSEs to improve transparency and consider borrower impact, and advocates for more experimentation to find products that less volatile and simpler to use than the current structures."

Eight years since Fannie Mae and Freddie Mac were put into government conservatorship, and DSNews interviewed The Collingwood Group President, Brian O'Reilly for his [insight on the GSEs](#).

All **Citi Correspondent** credit package submissions as of November 1, 2016 will require the Appraisal and the Fannie Mae and Freddie Mac Submission Summary Reports in addition to the existing required documents. **To view/print this bulletin, [CLICK HERE](#)**

Fannie Mae is reminding Servicers that, for the servicer to offer a [Fannie Mae MyCity Modification](#) Trial Period Plan, the first Trial Period Plan payment due date must be on or before December 1, 2016.

Ditech is expanding the guidelines to now permit Second Home and Investment Property loans not serviced by ditech in the Fixed Rate DU Refi Plus product. Also note all LPM (ditech paid) products that support Manufactured Homes are restricted to a 30 year only loan term.

Effective for all Conventional loans with application dates on or after October 3, 2016, **Sun West** will calculate the Self Employed Borrower's Income or Loss per updated Fannie Mae handbook: [income analysis of the S-Corporations](#) and [income analysis of Partnership business](#).

As a result of widespread damage from Hurricane Matthew, **United Guaranty** has initiated a disaster policy and will work with mortgage lenders and servicers to provide flexibility for borrowers in declared disaster areas who are experiencing severe property damage and interrupted employment. Forbearance measures to prevent foreclosure actions on those coping with storm damage should follow the procedures for dealing with homeowners affected by disasters, natural or otherwise, found in the guidelines established by Freddie Mac and Fannie Mae. Areas of Florida, Georgia and the Carolinas have been declared disaster areas due to damage from Hurricane Matthew and related storms.

Wells Fargo is updating its owner-occupancy requirements for cooperative (co-op) properties to align with Fannie Mae guidelines by requiring 50% of the total stock or shares, and not the total units, be owner occupied. It is also correcting the policy for single-entity ownership to be based on units, as Fannie Mae requires, not stock shares/occupancy rights.

Franklin American announced the expansion of its Conventional High Balance Fixed Product to include 20 and 25 year terms. These changes are effective immediately. Also, **USDARural FICO Changes** are in effective with locks beginning Oct. 14th.

Jumbo and non-conforming news? Only a little that I have seen.

NYCB now offers a new Jumbo 30 Year Fixed solution featuring LTVs up to 85% and no mortgage insurance requirements. Visit Gemstone to review the new [Jumbo Fixed 30 Year Program Guide \(WSL: 1195\)](#).

Due to implementation of the new Non-Agency loan program, administration fees have been updated for **Pacific Union Financial**'s Correspondent loans based on channel, product and property state. Non-Agency loans include all loans previously called labeled Jumbo or Non-Conforming. Effective November 1, 2016, Correspondent Non-Agency admin fees will be automatically determined based on channel, product and property state.

Updated eligibility guidelines will be applicable for new **NYCB Jumbo Portfolio (ARM & Fixed)** loans registered only in Alameda, San Francisco and San Mateo counties in California on or after 10.16.16. Please see Gemstone's Product Page for the updated guidelines for the [NYCB Portfolio ARM \(5/1, 7/1, 10/1\)](#) and [NYCB Portfolio Fixed 15 Year](#). A loan level price adjustment (LLPA) will apply to new loan

registrations on 10.16.16 specific to these three counties.

Loan Stream Wholesale has No Doc 3/1, 5/1 and 7/1 ARMs up to \$2,000,000 with interest only options available. For details, contact Loan Stream Wholesale at 800.760.1833 or inquiries@lswholesale.com.

Angel Oak offers Non-Warrantable Condos options which include up to 90% LTV/CLTV (Single or Combo loans), up to 100% Investor Concentration, No MI, Credit scores down to 500. For more information, contact Bob: bob.hutchens@angeloakms.com

And where would the primary markets be for lenders & borrowers if it weren't for the secondary markets setting the demand for loans?

Banks were the largest supporter of MBS (not counting the Fed which is still buying about \$2 billion a day) through Q3 according to recent earnings statements. Other domestic real money and relative value accounts have turned sellers of late. Analysts are quick to point out that it is important to note that the 10-year rate is about 45 basis points off its summer lows, but that primary mortgage rates have risen only 15 basis points! That being said, however, many think that much of the slack has been taken out of the primary-secondary spreads, and that further sell-offs could be transmitted to retail borrowers more directly.

The U.S. Treasury market rallied (e.g., rates dropped) Monday as we had softer-than-expected manufacturing data. (Industrial Production was +.1% for September, and was -.5% in August; Capacity Utilization fell slightly.) By the end of the day the yield on the 10-year was down to 1.77% and agency MBS prices had improved a couple ticks - less than .125.

But the press is focused on the Federal Reserve's Open Market Committee. The markets are now looking past November to its December meeting, and there are enough data releases scheduled between now and December 13-14 that Fed speakers are unlikely to move the rate hike probability needle much.

This morning we've had the September Consumer Price Index and Core CPI (+.3% and +.1%, about as expected - strong inflation hasn't been a concern for many years). Later is the October NAHB Housing Market Index. **We find the 10-year sitting around 1.76% with agency MBS prices unchanged versus yesterday's close.**

Training and Events

The training and event possibilities just keep coming!

Data Facts is [hosting a webinar](#) tomorrow, 10/19, at 11AMET, 8AMPT, on **the trends that will affect lending practices throughout 2016 into 2017**. Grabbing the headlines for residential lenders, there are plenty of issues lenders must watch. I am privileged to help host this webinar where we will discuss interest rates, the election, "Know Before You Owe" issues, the merger and acquisition environment, marketing service agreements, the continuing QM versus non-QM discussion, measuring borrower satisfaction, and MORE! Loan officers, closers, lending compliance officers, processors, and mortgage managers can all benefit.

This week's [complimentary webinar](#) from **National Mortgage Professional Magazine** titled "**The Future of Mortgage Marketing**" will show you how to create, deploy and measure powerful marketing plans that the top lenders are using. TagQuest will share proprietary marketing strategies they've seen grab the attention of "ready-to-buy" borrowers. Everyone wants their business to thrive with new and repeat clients. From baby boomers to millennials, the strategies used today are effective ways to grow your business. The webinar takes place on Thursday, October 20, at 2PM EDT.

HomeBridge Wholesale is hosting a webinar on October 21st titled "Grow your business through expanded plus product". [Register now](#) to learn more about Non-Agency Loans.

Plaza is providing a [webinar](#) designed to teach the basics of evaluating a self-employed borrower. Join MGIC on October 24th for this comprehensive workshop that will help you dig deeper through today's tax returns to develop a clear picture of your self-employed borrowers' monthly cash flow and overall financial standing.

Learn about Plaza's FHA 203(k) Standard and Limited loan programs on October 20th via its [webinar](#). These renovation loan programs enable borrowers to purchase a home that may need repairs or refinance their existing home for the purpose of remodeling. Join us for this informative webinar for an overview and comparison of Plaza's FHA 203(k) Standard and Limited programs.

If you're in Utah November 17th and 18th, or want to be in Utah then, there are two conferences, back to back, at the same hotel about an hour outside of Salt Lake City. **Mortgage Star's** Leadership & Strategy for Professional Mortgage Women is [November 16th-17th](#) at the Zermatt Resort in Utah, and the next day is the [Utah Association of Mortgage Professionals](#) event.

Training and development is crucial for the success of your recently-hired MLOs. Beginning November 29th, **MBA's SOLO Course I** offers the background context, real-world examples and a unique learning experience that will set your MLOs apart and play an important part in

their loan production capabilities.

Join **MBA** and a panel of legal experts on December 14th in North Carolina for a new workshop: [Regulatory Impact of HMDA on Fair Lending and CRA Lending](#). **This workshop will go over** all aspects of this new rule, including the compliance and risk management challenges, and its regulatory implications for both Fair Lending and the Community Reinvestment Act (CRA).

If you are looking to buy, sell or grow your business, or you're simply exploring your options then **MBA's Mergers & Acquisitions Workshop 2017** may be of interest. Taking place **February 22-23** at the **Intercontinental Dallas** in Dallas, TX, this workshop will equip you with the knowledge you need to make strategic informed decisions considering today's business and regulatory environment.

The Mortgage Collaborative's Winter Lender Member Conference will be held March 1-4, 2017 at the Omni Scottsdale Resort & Spa at Montelucia in Scottsdale, Arizona. "The conference provides The Collaborative's lender members a unique opportunity to interact with top industry leaders and to attend and participate in compelling educational and peer-to-peer networking sessions." The Mortgage Collaborative recently added twelve new lenders to its national network of originating members, and yes, they're all located in the United States: Admirals Bank, Bank of England Mortgage, CIS Home Loans, Equity Prime Mortgage, Holland Mortgage Advisors, Home State Bank, One Trust Home Loans, Pacific Trust Mortgage, South Pacific Financial, Southwest Funding, US Mortgage Corporation, and Weichert Financial. The addition of these companies increases the aggregate origination volume of The Mortgage Collaborative's lender members to over \$125 billion annually.

Jobs and Announcements

Capital markets folks are always looking for a new outlet for loans. Michael Lima, managing director of Whole Loan Trading at [Mid America](#), writes, "We launched our Whole Loan Trading division in December 2015 because we saw an opportunity to provide an outlet for smaller independent mortgage bankers to offload troublesome loans, either as a stand-alone purchase or in pools that might be too small to attract other investors. Having started by purchasing **performing government-insured loans** and **then moved into defective TRID loans and delinquent FHA/government-insured loans**, we've been able to provide much needed liquidity to market players while also improving our own position. As the saying goes, 'A rising tide floats all boats,' and we intend to continue seeking out niche opportunities for investment that can provide mutually beneficial opportunities for us and the market at large."

In-between the primary and secondary markets are operations, and Jim Boghos, President of [Boghos Search Group](#), writes, "Loan Originator chief concerns today continue to center on the lack of operational capacity. Lenders who truly offer better service have a tremendous window of opportunity for retail growth in today's market. **The war for processors and underwriters is as intense as I have ever seen it.** The capacity issues are plaguing service levels and therefore keeps the door wide open for nimbler service-oriented companies to move into new markets and capture proven people and market share." Jim will be in attendance at the MBA Conference Oct 23-26 in Boston. If you would like to schedule time with him to **discuss your recruitment and growth strategy**, contact him at jboghos@boghosgroup.com or call his office direct at 407-790-7500 ext. 100.

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