

Vendor News Including eClosing; Pending Home Sales Primer; FHA/VA Changes

By: Rob Chrisman | Tue, Dec 6 2016, 9:27 AM

Many years ago, it was a joke in Britain to say that, "the War Office was always preparing for the last war." To their credit, regulators now often try to consider the future, rightly or wrongly. Last week the Comptroller of the Currency's Thomas Curry confirmed that the OCC will begin considering applications from Fintech companies to become special purpose national banks, saying that the OCC will charter "financial technology companies that offer bank products and services and meet our high standards and chartering requirements." The move opens the door to the more than 4,000 fintech companies to get a **special purpose national bank charter**, but would not allow such entities to accept FDIC insured deposits without separate approval. The OCC simultaneously released a [white paper](#) on issues addressing the conditions on extending national bank charters to Fintech companies.

Vendors have been honing their offerings, making things more cost efficient given the perceived lower volumes in early 2017. Let's take a random sampling to see what they've been up to.

[Lendsnap](#) will be doing a live demo of its unique platform at the **Digital Mortgage Conference** in San Francisco this Thursday afternoon. Lendsnap will be on stage showing a live presentation of its account aggregation technology that retrieves borrower documentation during mortgage application (W2s, pay stubs, bank statements, and tax returns). Management will showcase their new borrower experience (UX) and have other updates to discuss with interested lenders. "As the only service to automatically gather authentic qualifying documents (not just VODs), Lendsnap offers account aggregation technology that fits how you originate and enhances your portfolio liquidity. The Lendsnap solution has passed the rigorous SOC I Type II auditing process for 2016. Lendsnap is live with lenders across the nation; please contact Mike Romano to learn more.

Bradford Technologies "has been dedicated to helping the **appraisal industry** move from form filling to more meaningful data analysis. Its new mobile inspection app for appraisers - Inspect-a-Lot, is centered on collecting only pertinent property data and not filling out forms in the field, as has been the traditional approach. Appraisers can focus on the data that affects value and needs to be analyzed as well as speed up the inspection process by removing the clumsy forms interface. If you would like to try out the app, you can download 'Inspect-a-Lot' from the Apple App Store. It only runs on iPads now, no iPhones or Androids."

DocMagic, Inc. announced that it has successfully completed the mortgage industry's first comprehensive eClosing in Massachusetts, which included both lender and closing/settlement agent documentation, for radius financial group, Inc. DocMagic's Total eClose solution is a single-source platform that contains all the components needed to facilitate a completely paperless digital closing. Paramount to achieving the end-to-end eClosing was eNotarization services provided by strategic partner World Wide Notary (WWN). Once the eClosing process begins, documents requiring notary acknowledgment are automatically grouped by the system and electronically executed in the presence of the notary.

EssentIQ from **Essent Guaranty**, Inc is a great tool to help you turn millennials and other first-time homebuyers into homeowners. [Its new enhancements include streamlined navigation to personalized Client Summary PDF Reports.](#)

Indecomm Global Services and LendingQB announced a technology and integration partnership. The partnership provides mutual clients seamless access to [Indecomm's IncomeGenius](#), a groundbreaking tax return analysis platform, along with LendingQB's credit underwriting, pricing, compliance, and other services. IncomeGenius's Optical Character Reader (OCR) driven platform adds certainty and simplicity to the challenge of self-employed borrower calculations. The web based integration of documents and data from LendingQB to IncomeGenius is an effective way for clients to improve their underwriting process. For more information contact Indecomm VP of Sales Linda Bomar.

DataVerify announced the adoption of its [DRIVE](#) platform by [American Pacific Mortgage Corporation \(APM\)](#). "The DRIVE platform is a single-source, proprietary enterprise-wide application that can be tailored to meet specific risk conditions for market requirements. DRIVE automates manual underwriting processes and applies the rigors of a forensic mortgage loan review to assist users with avoiding loan quality issues."

[Comergence](#) announced its newest client [Sagamore Home Mortgage](#). "The new partnership will facilitate Sagamore's wholesale channel for third party originator due diligence and oversight. This alliance will allow Sagamore to concentrate on broker recruitment strategies guided by powerful data intelligence accessible in the platform including; accurate license data and loan production volumes."

No one has a **crystal ball**, and can accurately, consistently predict the future. "Pending" Home Sales, "Existing" Home Sales, and "New" Home Sales - take your pick. They all show something slightly different, and economists have their favorites. Housing and jobs play critical

roles in the United States economy, thus the abundance of various statistics for each one.

Analysts are always looking for scraps of information to give them a picture of what's ahead. One tool that some economists watch is **Pending Home Sales**. It is an index created by the National Association of Realtors (NAR) that tracks homes sales in which a contract is signed but the sale has not yet closed. What have the numbers been showing us lately?

In July we learned that [Pending Home sales rose 0.2% the prior month](#). **Tight inventory** remained a problem, and the increase was mainly due to the Northeast which doesn't have the inventory problem seen on the West Coast. Lawrence Yun, NAR's chief economist noted, "With only the Northeast region having an adequate supply of homes for sale, the reoccurring dilemma of strained supply causing a run-up in home prices continues to play out in several markets, leading to the last two months reflecting a slight, early summer cooldown after a very active spring," he said. "Unfortunately for prospective buyers trying to take advantage of exceptionally low mortgage rates, housing inventory at the end of last month was down almost 6 percent from a year ago,¹ and home prices are showing little evidence of slowing to a healthier pace that more closely mirrors wage and income growth."

The following month Pending Home Sales dropped 2.4% in August, [per the NAR](#). Suffering supply levels had taken the wind out of the momentum the housing market experienced earlier this year. "Contract activity slackened throughout the country in August except for in the Northeast, where higher inventory totals are giving home shoppers greater options and better success signing a contract," Yun said. "In most other areas, an increased number of prospective buyers appear to be either wavering at the steeper home prices pushed up by inventory shortages or disheartened by the competition for the miniscule number of affordable listings."

But the [summer housing market did not cool down after summer](#). Housing inventory [declined](#) annually for 15 consecutive months, and properties closed **11 days quicker** than August last year, according to the Pending Home sales report by NAR. Inventory also remains down as less than 450,000 new listings came on the market in September, while the median home price rose 9% from last year to \$250,000, a new high for the month.

Which brings us to October where [Pending Home Sales were +0.1%](#). With last month's small increase, the index is now 1.8% higher than last October. Overall, things are pretty good!

And of course, a good chunk of those are FHA & VA loans, especially for first-time home buyers with limited down payment funds. Any **changes to FHA & VA?** You bet there are - they don't stop.

FHA's [Mortgagee Letter 2016-20](#), **2017 Nationwide Forward Mortgage Limits**, provides the maximum mortgage limits for FHA-insured Title II forward mortgages. Because of the change to the national median home price this year that increased the Federal Housing Finance Agency (FHFA) limits, FHA's "floor" and "ceiling" loan limits will increase for calendar year 2017 to \$275,665 and \$636,150, respectively, for a one-unit property as referenced in Section II.A.2.a.ii of the [Single Family Housing Policy Handbook 4000.1](#). Mortgagees may view this list on the [Maximum Mortgage Limits](#) web page. FHA forward mortgage limits are available [by MSA and county](#), or by [downloading a complete listing](#). The new loan limits are effective for case numbers assigned on or after January 1, 2017, and remain effective through December 31, 2017.

FHA published [Mortgagee Letter 2016-22](#), **Extension of Implementation Date** of Selected Sections of Handbook 4000.1, which extends from December 1, 2016, until March 1, 2017, the implementation date of certain parts of Section III.A.2 in the [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook). The implementation date change outlined in this Mortgagee Letter is effective immediately.

FHA published [Mortgagee Letter 2016-18](#), **Mortgagee Use of Professional Employer Organizations**, which clarifies when mortgagees may engage in contractual arrangements with professional employer organizations and similar entities for human resources services. Removing this perceived barrier through policy revisions allows mortgagees to take advantage of process efficiencies commonly used in business practices, while reinforcing FHA's continuing objective of making it easier to do business with FHA. The guidance is effective immediately.

Ginnie Mae is making available [the Mortgage-Backed Securities \(MBS\) Multifamily Loan Level Disclosure Layout, version 2.0](#), for disclosure of Monthly Multifamily Loan-Level information.

Read **First Community Mortgage's Wholesale Product and Pricing Bulletin 2016-18 GUIDELINE REMINDER** for important information regarding streamline loans.

Chase Correspondent has suspended its FHA and VA 10 Year Fixed product line(s). Thus, these products will no longer be offered in the Optimal Blue system, but will be available for 30 days to secondary users.

Impac Mortgage is advertising a limited time offer. It will underwrite FHA and VA loans with FICO scores between 600-640 for just \$99.

Land Home Financial Services began charging a new Admin Fee effective with Forward Locks or the Loan Estimate (LE) dated on or after

Thursday, December 1. Both the state of CA & HI will increase to \$995. The admin fee for other states will be \$895. There will be no admin fee changes to the NHF Sapphire (FHAVA/USDA), FHA Stream and VA transactions.

Effective immediately, **Mortgage Solutions Financial** is requiring any VA IRRRL and USDA Streamline transactions with first payment dates on and after February 1, 2017 to meet the new [Ginnie Mae pooling requirements](#).

Pursuant to the "Notice of Lender Alert: Seasoning requirement on VA IRRRL Loan Program" released on October 25th, 2016, **Sun West Mortgage Company, Inc. (SWMC)** [provided an update and a reminder in regards to the mortgage seasoning requirement for VA IRRRL loan program](#).

M&T issued a reminder that a VA IRRRL Comparison Statement Lender Certification is required on all VA IRRRL transactions, and must be signed by the Veteran and the VA Underwriter no later than closing. Although VA does not publish a formal version of the form, it does provide a link in the VA Lender's Handbook to a recommend a draft which lender may copy and paste onto their own letterhead. M&T also offers Form 2440 VA IRRRL Comparison Statement and QMAffirmation for lender use available on [MEME](#).

Rates? Up some, down some, and Monday was up some - mostly due to the ISM Non-Manufacturing Index rising to a 13-month high for November. Three regional Fed presidents made public remarks that a December 14 rate hike is a virtual guarantee - no surprise there. What is also not a surprise is traders reporting that volume was light. Are there any pipelines left to sell? What will pipelines look like after the end of December when the pre-election loans fund? Conjecture aside, by the end of the day Monday rates were pretty much unchanged from Friday afternoon and the 10-year ended the day yielding 2.39%.

Today we've had a revision to Q3 Productivity and Unit Labor Costs (3.1% and +.7%) and the October Trade Balance (\$42.6 billion deficit); coming up are October Factory Orders (10AMET). The 10-year is at 2.39% and agency MBS prices are roughly unchanged versus Monday afternoon.

Jobs and Announcements

In job news, a national lender is looking for a talented National Sales Manager to buildout and lead a dynamic sale team in its effort to substantially grow its emerging banker/ mini-correspondent business channel. The National Sales Manager will work closely with the marketing, credit, and senior management teams to set sales strategy and execution for profitable business growth and development. Please send confidential inquiries and resumes to me; please excuse any delays in response due to travel.

For broker's products, "As you strategize for 2017, join the exclusive group of originators that offer innovative QM and Non-QM portfolio programs for loans as high as \$1.5 million, by utilizing the Lakeview Wholesale team. We offer a full suite of programs designed to help you close borrowers that do not meet traditional agency or jumbo guidelines. Breathe new life into deals and create new business referral sources that your competition can't reach. Inquire today, and become an approved client. Visit [LakeviewWholesale.com](#) for additional information or call 85-LAKEVIEW today."

Download your complimentary copy of XINNIX's white paper, "Profile of Today's New Originator." Featured in Mortgage Banking Magazine, this white paper is based off a demographic and psychographic survey of 800 XINNIX alums of the new Loan Officer program, ORIGINATOR. [Use this white paper to find your next rookie Loan Officers today!](#)

Congrats to Ben Carson, Trump's nominee for HUD. Before anyone starts celebrating, [here's what one person has to say](#) that's worth a skim. Some would say its humorous.

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