

Non-QM and Marketing Products; eSummons Training; Disaster Plans and Reactions

By: Rob Chrisman | Wed, Sep 12 2018, 8:53 AM

We're always reminded that nature bats last. Every lender that I know of bases their disaster policies directly from [FEMA's declarations](#) or from other companies that base their policies from FEMA. Lenders are reacting – see below. (My cat Myrtle is very concerned that the current forecast has Hurricane Florence targeting landfall at Myrtle Beach.) In North Carolina, there are 9 million pigs being raised on 2,300 Carolina hog farms, and those animals produce 10 billion pounds of wet animal waste a year, which is stored in open lagoons. The North Carolina Pork Council said the lagoons can handle 25 inches of rain without failing. Portions of North Carolina are forecasted to get 40 inches of rain.

Events

Caliber Home Loans, Inc. is hosting not one, but [TWO webinars today](#) on its newest non-Agency product, Caliber Elite Access. Offering Elite Access to borrowers who have the ability to repay can help you close more Jumbo loans because this product has 95% LTVs and no MI! Caliber Head of Wholesale John Gibson and SVP Will Pendleton will be speaking to attendees, live. To accommodate as many brokers as possible, Caliber Wholesale is hosting one last informative session on Thursday, September 13th. Register for one of the three remaining webinars [here](#) so you can understand how Elite Access and Caliber's suite of Portfolio Loans can help you meet the needs of more borrowers. Oh, and we hear there will be BIG news at the end for brokers who attend.

On Saturday, October 20, 2018 more than 1,500 independent mortgage brokers, loan originators and processors will join at the AIME Fuse 2018 National Conference to learn from industry experts about how they can access the best technology, originate more loans each month and become a marketing expert for their own business. AIME Fuse will unite the nation's most passionate mortgage professionals around a singular focus: to celebrate and enhance the value of independent mortgage brokers. This is the inaugural national event for the Association of Independent Mortgage Experts (AIME) and will be held at Bellagio Las Vegas. Register for AIME Fuse 2018 [here](#).

Our friends at the Internal Revenue Service ("IRS" in case you didn't know) are promoting [a free informational webinar](#) scheduled for September 13 at 11AMET titled "Understanding the eSummons Process." The IRS sends a summons to a financial institution to get information about a customer. In the past, it sent these summonses only by mail and the information was sent to the IRS by mail. Now, it will send them to the financial institution electronically, and the financial institution can send the information back to the IRS electronically.

Flood and Disaster Updates

As Hurricane Florence makes its way towards the coastline of the Carolinas, **states of emergency have been declared for South Carolina, North Carolina, and Virginia**. The forecasted amounts of rainfall could also lead to significant flooding in the inland areas of the three states. By S&P Global Ratings' calculation, CMBS exposure (including about \$33.6bn of agency transactions) in these three states totals about \$63bn (by property allocated loan amount). These exposures consist of about 7k mortgage loans, secured by over 8.7k properties

In yesterday's issue of the Federal Register (83 FR 45950, [click here](#)), the Federal Emergency Management Agency (FEMA) published the above notice of changes in flood hazard determinations. The notice lists communities where the addition or modification of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or the regulatory floodway (hereinafter referred to as flood hazard determinations), as shown on the Flood Insurance Rate Maps (FIRMs) and, where applicable, in the supporting Flood Insurance Study (FIS) reports, is appropriate because of new scientific or technical data. The FIRM and, where applicable, the FIS report for each community have been revised to reflect these flood hazard determinations through issuance of a Letter of Map Revision (LOMR).

FHA published Mortgagee Letter (ML) [2018-05](#), which revises the **order of loss mitigation options for borrowers with FHA-insured mortgages** whose property and/or place of employment is in the Presidentially-Declared Major Disaster Areas (PDMDAs) of Puerto Rico Hurricane Maria (DR-4339) or U.S. Virgin Islands Hurricane Maria (DR-4340). In addition, HUD extended foreclosure timelines through September 15, 2018, for Home Equity Conversion Mortgages (HECM). This extension is applicable only to those counties declared eligible for Individual Assistance by FEMA. It applies to both the initiation of foreclosures and foreclosures already in process on HECMs that become due and payable for reasons other than the death of the last surviving borrower and eligible non-borrowing spouse. This guidance is effective immediately and is applicable to all homeowners with FHA-insured HECM mortgages whose property or place of employment is in the PDMDAs for Puerto Rico's Hurricane Maria (FEMA-DR-4339) and U.S. Virgin Islands' Hurricane Maria (FEMA-DR-4340).

Wells Fargo Funding (aka, correspondent) sent out, "We're aware that many of our clients with operations on the eastern seaboard have or will be evacuating due to Hurricane Florence. If your operations have been disrupted by the storm, please contact your regional sales manager or a member of your regional sales team to discuss next steps...Please continue to refer to our requirements in Seller Guide Section 820.19: Disaster Policy and to disaster declarations listed on the [FEMA website](#)."

Due to the threat from Hurricane Florence, Plaza Home Mortgage has temporarily suspended loan funding in South Carolina, North Carolina, Virginia, and Maryland as of Tuesday, September 11, 2018.

"Due to the potential impacts of Hurricane Florence, AmeriHome is temporarily suspending loan purchase activities in several coastal counties in North Carolina and South Carolina, and certain counties in the Commonwealth of Virginia." So spoketh AmeriHome Mortgage.

All too often homeowners are left with thousands of dollars of damage resulting from natural disasters. The Carlson Law Firm alongside a team of dedicated natural disaster damage attorneys has developed a tool, [the Flood Claim Value Calculator](#), that homeowners can use to determine the true value of their damage.

Pacific Union Financial is continuing to monitor the impact of the wildfires and high winds affecting California from July 23 going forward. Per its published guidelines, any properties located within the areas identified by the Federal Emergency Management Agency (FEMA) offering private assistance will **require confirmation the subject property has not been affected by disasters**. This confirmation includes Borrower written certification of the condition of the property prior to clear to close by Pacific Union. FEMA has included Shasta and Lake counties in its disaster declarations. Pacific Union requires certifications from Correspondents for properties in the affected counties for purchase to occur.

Mortgage Solutions Financial posted an [updated announcement](#) in reference to California Wildfires And High Winds– Disaster Alert.

On August 17, 2018, FEMA granted individual assistance to Lake County California. AmeriHome Mortgage will continue to provide details and re-inspection requirements as available.

Mortgage Solutions Financial has revised its previous [announcement](#) regarding the Texas Severe Storms and Flooding.

On July 31, 2018, [with News Release NR-015](#), FEMA granted individual assistance to 1 additional county, for the Texas Flooding. Refer to AmeriHome's guide for details and re-inspection requirements.

Shasta county in California has been declared by FEMA as Major Disaster Area for the incident period date of July 23, 2018 declared on August 7, 2018. To view a complete list of FEMA disaster alerts in XLS format, click here: [Annexure-I](#). To view FEMA's recent update on CA, click here: [FEMA](#).

Mortgage Solutions Financial posted [information](#) regarding FEMA Major Disaster Declaration DR-4382.

Capital Markets

Ahead of the arrival of Hurricane Florence on the U.S. east coast, **oil prices rose almost \$2 a barrel**, to about \$69. Big storms can cause increases in fuel demand, increasing its price. Motorists can expect spikes in pump prices to be brief, but possibly dramatic. So yes, inflationary, but brief.

Looking at bond prices, the market sold off Tuesday with rates going up. Think "pressure on short rates, resulting from consistent rate hikes" from the Fed impacting the entire market. There wasn't much news to move rates, and the 3-year Treasury note auction went okay but at rates matching those from 2007 – but the 10-year closed yielding 2.98% - **the highest since early August**. Wholesale inventories increased as the pace of sales growth year-over-year continues to exceed the pace of inventories growth, which is a positive dynamic that can eventually help wholesalers regain pricing power if it persists.

This morning we've had last week's mortgage application data (-1.8%, refis -6%) and August's Producer Price Index (core and non-core - .1%, a surprise drop). Coming up is the \$23 billion 10-year T-Note auction and the Fed's August Beige Book, giving us a read on various zones in the U.S. Wednesday starts with rates a shade lower from last night's close: the 10-year is at 2.96% and agency MBS prices are better by a couple ticks.

Lender Products and Services

Fidelity Bank has been committed to providing warehouse banking solutions for correspondent mortgage bankers and emerging mortgage bankers for more than 30 years. A quick and efficient closing for your borrower drives repeat and referral business for you. At Fidelity Bank we understand how important each loan closing is to your company's reputation and are here to support you. With direct access to our

decision makers and dedicated and responsive staff, you gain a trusted process and partner that can quickly address issues to meet your needs. If you've thought that it might be time to consider a new warehouse bank, or add to your current capacity, contact Susan Johnson (952-830-7243) or Brian Huddleston (713-332-8367). Work with a proven partner with a dedicated and responsive team.

Calling all Mortgage Marketing Pros: Usherpa's new email marketing engine, Launch Pad, is powerful, flexible, efficient, and most importantly, CUSTOMIZABLE. Usherpa has meticulously crafted email templates that make it easy for marketing managers to build more relevant and brand compliant messages with less effort. [Schedule a demo today!](#)

Floify, a leading point-of-sale solution, continues to help LOs stay ahead of the mortgage technology curve by automating critical processes and communications, as well as consolidating VOE/VOI, credit reporting, and other necessary services into one convenient and affordable solution. Not only is Floify's end-to-end platform saving LOs time by managing redundant tasks associated with originating loans, they're making the process even more amazing with a stylish new interview-style 1003, brandable landing pages, and a growing list of integrations. In fact, LOs who use Floify have become so efficient that many are reporting unprecedented revenue because of their Floify-automated mortgage processes. This has kept them competitive against direct-to-consumer players in the mortgage space, including Quicken Loans and LoanDepot. Now, if you've been considering modernizing your origination processes, there's never been a better time to make the transition to Floify's powerful mortgage automation solution. [Request a live demo to learn more!](#)

Do you have borrowers with impaired credit? Time to check out Credit Ascent. Verus Mortgage Capital offers responsible solutions for credit-impaired borrowers, including self-employed and foreign nationals. Recent bankruptcy, foreclosure or short sale / DIL and FICOs down to 500 with full documentation. Verus, a non-QM investor who builds lasting partnerships with correspondent originators, has purchased over \$2.8 billion in expanded, non-QM loans and completed six rated securitizations. Email Jeff Schaefer today to learn more.

Deephaven Mortgage is shining the light on a better path forward in today's Non-QM marketplace. The company is doing this by bringing innovative products and cutting-edge Point of Sale tools to a historically manual industry. In case you missed it, the Non-QM sector is projecting a \$15BB plus marketplace in 2018. It will grow well beyond that in 2019 and the years to follow. Deephaven offers loans through their wholesale and correspondent partners that cater to tens of millions of clients left behind in today's conventional/government marketplace. Today, 9/12/18, Deephaven Mortgage announces the introduction of a 12 Month Business Bank Statement program. The program aims to simplify qualifying the conservatively estimated 16MM of self-employed Americans. Please get in contact with Deephaven to capitalize now: brokerinfo@deephavenmortgage.com (Wholesale) or sales@deephavenmortgage.com (Correspondent).

Employment

AC-Suite executive is looking for opportunities in Sales and/or Operations. The 20-year veteran has a proven track record of building exceptional teams and in their most recent 2 engagements oversaw a 2.5 X and a 4X increase in fundings. Experienced in Consumer Direct, Process Design & Improvement, Data Analytics, Digital Transformation, Artificial Intelligence, Technology Stacks and their integration, Operations, Marketing, Vendor Management & proficient in Sales Training, Sales Management, and Telephony. Interested parties can contact me to forward their note to the candidate.

"Does your pricing seem a little bit too high? Are you losing deals over rates? Is your ability to earn money limited by your company's high pricing? If you answered yes to any of these, chances are your company has too much padding or extra margin built into their rates, costing you money, deals, and possibly even referral relationships! Even worse, some companies build even more padding into your rates when their business slows down to keep their 'high-profit appetite' fed. Now there's a way to see 'behind the curtain' to make sure you're getting the best deal possible. [Check out this "Pricing Lie Detector"](#) - a free tool that shows you in 10 seconds how much money you may be leaving on the table due to over-inflated rate sheets from your company."

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