

Warehouse Products; Vendor/Service Provider Directory; Yield Curve Primer

By: Rob Chrisman | Fri, Dec 7 2018, 9:17 AM

The year has sped along, and here we are at Pearl Harbor Day already. Although mortgage rates have lagged, what has pushed Treasury rates down? Released earlier this week, the Federal Reserve's latest report on economic conditions, known as the Beige Book, says most of its 12 regions achieved satisfactory growth in November but also says there is "increased uncertainty" among businesses over the influence of U.S. tariff policy. The report highlights rising costs for manufacturers and problems for farmers due to counter-tariffs imposed by China and others. (The Trump Administration's trade fight with China has been particularly hard in Nebraska, with its Farm Bureau estimating that retaliatory tariffs let to [a loss of more than \\$1 billion](#) so far in 2018, which is about 11 to 16 percent of the entire value of Nebraskan agricultural goods. Factor in labor income losses and the total economic hit to the state is \$859 million to \$1.2 billion.)

Lender Products and Services

Get on point with BluePointMtg into 2019! "At BluePointMtg we are pleased to present several new products to our Broker Partners and offer Rate Improvement specials as we close out 2018! Free appraisals for any loan over 300k till the end of the year as well. (Except reverse loans.) A .25 rate improvement incentive on non-Agency loans >500,000, and a .375 rate improvement on Non-Agency loans over \$2 million. (Applies to Leverage Product and Pivot Product only!) BluePointMtg is positioning itself to be a go to lender for Government loan options, conventional Loans, and Non-Agency loan options. Newly released is a VOE loan. New pricing on FHA 700+ credit scores as well this month! Highlights this month is a MIC DROP campaign where BluePointMtg has highlighted all files Submission to CTC with our Broker Partners of 15 days or sooner! Sign up today to expand your product mix, gain incentives monthly and get your own MIC DROP on your next loan! Contact your AE or marketing@bluepointmtg.com for details."

[Guaranty Bank & Trust \(GBT\)](#) "is proud to announce the promotion of Nikki Maimone to Vice President of Warehouse Lending. In addition, we are pleased to announce Nicole Haba joining our team as Operations Manager of Warehouse Lending. Collectively, Nikki and Nicole have over 40 years' experience in mortgage and warehouse lending. GBT is working hard to earn your business and become a leading provider of mortgage warehouse services Veronica Soto (214.710.2340).

Carrington Mortgage Services launches its non-delegated Correspondent Lending Division. Carrington Mortgage Services, LLC (CMS), one of the nation's largest privately held non-bank lenders with over \$60 billion in servicing, announced the launch of its Non-Delegated Correspondent Lending Division to complement CMS's full portfolio of loan origination channels which include Wholesale and Retail. "We have diligently planned and built the Correspondent Division and we're now ready to make our presence known throughout the industry," said Raymond Brousseau, President of CMS. "We are committed to delivering a high level of transparency and timeliness to the non-delegated correspondent lending process. We understand that it's all about providing our sellers with the ability for further growth and profitability." [CMS's wide program](#) offers today's non-delegated sellers with Fannie Mae and Freddie Mac products, FHA and VA products, and Carrington Advantage Products for underserved borrowers. To qualify, correspondent lenders should have a strong reputation of profitability in the industry.

PrimeLending Joint Ventures = Excellent Customer Experience + Increased Profitability for Home Builders. You already know PrimeLending as a powerhouse mortgage lender providing an excellent home loan experience to customers across the U.S. Its proven joint venture model is no exception, providing home builders with a dependable formula for success, including an easy-to-use, fully-digital mortgage process, a huge range of loan options, an award-winning operations team, and solid backing from Hilltop Holdings Inc. and all its subsidiaries. If you are a home builder considering the next step to increase your profitability and give your customers a better mortgage experience, watch our videos and get more information at www.primelendingventures.com or contact Mike Matthews.

This is an offer you won't want to miss! TMS partnered with Mortgage Educators to offer brokers extremely discounted rates on industry-required continuing education and pre-licensing courses. And the part that shocked me the most—they're exclusively offering it at 73% off! The industry-required CE courses include the 2018 Online 8 Hour SAFE Comprehensive CE and NMLS 20 Hour SAFE Pre-license Bundle. To get started, go [here](#).

[PlainsCapital Bank National Warehouse Lending](#), a subsidiary of Hilltop Holdings (NYSE: HTH), is looking for mortgage bankers and lenders that offer renovation products and programs. PlainsCapital Bank National Warehouse Lending currently funds multiple renovation programs and products with little to no additional requirements. "Whether it is a FNMA HomeStyle, FHA 203K Full, Limited or even an USDA Rural Housing renovation loan, PlainsCapital Bank National Warehouse Lending wants to be your preferred warehouse provider for these

programs and products. Please ask us about our competitive rates, utilization and deposit incentives and other ways that we can reduce costs and time to exceed your loan funding needs in 2018." If you are interested in learning more, please contact Deric Barnett, EVP National Warehouse Lending.

Vendor Updates

Floify and Equifax have joined forces to expand the features and functionality of the **industry's leading mortgage point-of-sale system**. This groundbreaking partnership integrates the power of the Equifax Trended Credit*Hi-Lite™ and The Work Number® with Floify's flexible and feature-packed mortgage automation solution. Now, LOs who use both solutions to originate loans can instantly obtain and sync tri-merge credit reports via Trended Credit*Hi-Lite™ and VOE and/or VOI via a secure integration with The Work Number® directly with an application or loan file in Floify. Additionally, with GSE validation programs, such as Day 1 Certainty® from Fannie Mae, LOs can help mitigate risk and limit underwriting cycle times by reducing lenders' reliance on applicant-provided W-2s, pay stubs and other income-related documentation. To experience the power of Floify's Trended Credit*Hi-Lite™ and The Work Number® integrations, [request a live demo](#).

The Mortgage List, LLC., the most inclusive directory of all facets of the mortgage industry, announced at the National Association of Mortgage Professionals (NAMP) Annual Conference, its official launch of their online directory and community. The Mortgage List is literally, a "Who's Who" featuring thousands of listings and resources including industry associations, organizations, vendors, service providers and publications. The directory alone is the "go to" guide for mortgage professionals which includes attorneys, accountants, NMLS course providers, wholesalers, compliance companies, trainers, marketing companies and much more. Founded by long time industry professional, Ginger Bell, The Mortgage List's goal is to become the hub for the mortgage industry. You can [register for its webinar](#) on Wednesday, December 12th to find out more.

Flood and Disaster Updates

Will Congress ever "man up?" With Congress moving to keep the government funded through December 21, the National Flood Insurance Program is again extended, this time for two whole weeks. Realtors point out that, "This is the **43rd extension of the NFIP since 1998**, and the 41st short-term deal made to avoid a lapse in the program over the past 20 years. NAR is relieved to know that the NFIP was again extended before a lapse could occur. Flooding is a constant, unavoidable threat to Americans living in both coastal and inland communities across the country, however. As such, NAR urges the House and Senate to continue working towards responsible, long-term reauthorization that includes meaningful reforms, as the current process of continuous short-term extensions is simply not sustainable."

Fannie Mae announced the Fannie Mae's Disaster Response Network™: a comprehensive case-management service for disaster-affected homeowners with Fannie Mae-backed mortgage loans. Homeowners may access this program, a supplement to the post-disaster mortgage relief options currently offered, by visiting [Know Your Options](#) or calling 1-800-2FANNIE.

Regarding the California fires, and disaster areas in general, most lenders have a policy that says all impacted areas will require an internal escalation review to determine current containment percentage, evacuation status, and property distance from current burn zone prior to drawing loan documents. All impacted files have been conditioned appropriately (to include but not limited to photos of property and a disaster affidavit). No one wants to lend money on a house that isn't there.

Mountain West Financial (MMF) is committed to helping its customers during the recovery process in areas impacted by the massive California fires. Re-inspection requirements for properties in FEMA-declared disaster areas are as follows: Conventional, VA and USDA loans require an exterior-only disaster inspection report to certify that the property was unaffected by the disaster. Conventional loans with property inspection waivers, VA IRRRLs and USDA Streamline loans will require re-inspections if the property is in a FEMA-declared disaster area. FHA requires an interior and exterior disaster inspection report and photos. FHA Streamlines do not require re-inspection. VA requires both the lender and the veteran to certify the property is not damaged.

The Camp Fire (Butte County) and Woolsey Fire (Los Angeles and Ventura Counties) **have been 100% contained**. The following loan Depot Wholesale processes are in place for properties in impacted areas: Conventional Loan fundings have resumed for Butte, Los Angeles, and Ventura Counties. All files in impacted zip codes have been conditioned appropriately based on requirements for properties in [FEMA declared areas](#). Regarding FHA Loans, Re-inspections are required, however cannot be ordered until FEMA issues a Disaster End Date. Funding exception requests can be submitted through your Account Manager.

Capital Markets

The MAC Capital Markets Group is pleased to announce its offering of \$365mm of new origination whole loans. The collateral consists of 100% ARM Loans originated by a Bank as a portfolio product with an alt-doc component. The portfolio is concentrated in MI & FL with

approximately 640 loans potentially qualifying for CRA credit. Loans >80 LTV are covered by PMI; this product has experienced near zero defaults over the history of the program. Parties should contact their MAC sales representative at 212-233-1250 or Steve Harris for additional information.

There is chatter out there about the **yield curve inversion** - right up there with the coming of the Four Horseman, the Apocalypse, the Detroit Lions winning the Super Bowl, that kind of thing. There are different portions of the U.S. government securities yield curve (that graphs yields on the Y axis and maturity – overnight Fed Funds all the way to 30-year bonds) that one can compare. When long-term yields are lower than shorter-term yields, it typically reflects expectations of slowing growth, or a possible recession.

But the inversion between two-year and five-year Treasury yields could be temporary as it was in 1998. Everyone knows that, due to Quantitative Easing, the Fed continues to purchase long-term maturity securities, raising prices and keeping longer-term rates low. And LOs should know that inverted curves don't cause recessions. They simply reflect a market assumption that growth will slow based on current economic information.

Yesterday was a volatile day for the Treasury market, which rallied strongly this morning when the S&P 500 was down as much as 2.9%, spurred by trade concerns which stemmed from the controversial arrest of Huawei Technologies' CFO in Canada on allegations the company violated U.S trade sanctions on Iran. The arrest and reported extradition to the U.S. would get in the way of the U.S. and China striking a trade deal, coupled with **potential retaliatory action against U.S. companies** doing business in/with China. After hitting a low of 2.82% intraday, the U.S. 10-year closed the day at 2.87%.

The flight to safety in the Treasury market saw support from the drop in oil prices and remarks from Dallas Fed President Kaplan and Atlanta Fed President Bostic, who suggested the target for the fed funds rate is close to neutral. Oil prices dropped on reports Saudi Arabia oil minister floated a proposal to cut daily production by 1 million barrels per day, less than the market was thinking, though no formal agreement has been reached yet. Finally of note, JPMorgan Chase CEO Jamie Dimon told CNBC in an interview that if there is a bubble anywhere, **it is in U.S. government bonds**.

Today began with the November employment data: Nonfarm Payrolls +155k (less than forecast, and with a back-month revision lower), the Unemployment Rate steady at 3.7%, and Hourly Earnings +.2%. At 10AMET the University of Michigan Sentiment Index is seen falling in both current conditions and expectations, and October wholesale inventories and sales are due. Fed Governor Brainard speaks on financial stability before a luncheon just after noon. And October consumer credit will be released and is expected to rebound from September. After the employment data we have the 10-year yielding 2.87% and Agency MBS prices better a smidge versus last night's close.

Jobs

"GSF Mortgage Corporation is pleased to promote our Direct Originator Partnership Program for originators who are interested in a low expense and best execution opportunity in today's market, while playing a critical role in delivering an exceptional customer experience during every step of the home lending journey. The program has no branch or lender fees, translating to better pricing and compensation for the originator. With access to management, technology, and a comprehensive set of products, we give you the tools to succeed and help you build solid and long-lasting relationships and engage all customers in a positive manner, ensuring the customer's best interests are your number one priority. Originators participating in this partnership have enjoyed a 28-percent production increase – all while operating in a challenging market." Please reach out to VP of Retail Lending, Frank Papaleo.

Mortgage Possible is expanding across the United States and has named Ty Kerns Senior Managing Director of National Production. With 25 years of industry experience, Senior Managing Director of National Production, Ty Kern, is leading the expansion of Mortgage Possible across the US. Kern has been in business leadership positions for 15 years and his experience makes him an excellent fit for the role of Senior Managing Director. Kern came to Mortgage Possible after a role as Senior Managing Director of National Retail Production elsewhere. He leads the channel to significant growth and profitability gains by overseeing the implementation of significant technology improvements and a reduction in cost structure. "It's an honor to be a part of the expansion process with Mortgage Possible," said Kern. "Our leadership team has what it takes to make a positive impact in the mortgage industry across the country." Visit <https://mortgagepossible.com/> for more information.

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