

Sales and Underwriting Products; Conventional Conforming Lender and Investor Changes

By: Rob Chrisman | Mon, Jan 28 2019, 9:02 AM

Another 5-day work week. Sigh. To some it'll seem "longer than a CVS receipt." To others it will fly by. What is also flying is the market in Boise, Idaho. Idaho is now the fastest growing state in the nation, percentage-wise, and with it comes traffic and other infrastructure problems. [Is it becoming the new California?](#) At the other end of the price movement scale, kind of, is the New York luxury market which is in the middle of a correction. Homes for \$4 million or more took an average of 447 days to go into contract in 2018 – more than a year! But NY claims the current prize for the most expensive residence: [\\$238 million](#), or \$10,000 per square foot.

Lender Products and Services

SA Ibrahim and Dave Stevens haven't relaxed in retirement. Mortgage Media has quickly grown a following, producing original content, a MP-heavy podcast, and timely industry analysis. After retiring as CEO of Radian, Ibrahim has profiled executives and industry leaders like Jonathan Corr, Rick Arvielo, Barry Habib and Chris George. And Stevens, the longtime MBA CEO, kicked off the year with a series of conversations with experts about what to expect in 2019. Just in the first couple weeks of the year, they've recorded and shared insightful pieces on Barry Zigas, Jim Parrott, Mark Zandi, David Lykken, Creig Northrop, with more VIPs in the pipeline. For exciting opinions, perspectives and updates on the mortgage industry, sign up for their mailing list at www.MortgageMedia.com, and subscribe to their podcast on iTunes.

Built upon the LOS database, [MortgageFlex Systems'](#) TPO Portal, MortgageFlexONE creates a unique workflow that can be shared with the LOS or used separate. The services between LOS and TPO Portal work together for unprecedented levels of visibility and flexibility. Features of the TPO Portal include loan registrations, rate lock, document upload, and ongoing status updates provided in real-time. Lenders can register new loans directly in the portal or upload loan applications. The provided options are designed for a frictionless process to get the loan registered and delivered. MortgageFlex currently has high-profile customers going live on TPO including a HELOC only lender. The single point of maintenance helps ensure the highest quality loan with reduced expenses.

Momentifi CEO Gibran Nicholas just wrote a white paper called: Purpose-Driven Sales: How to Empower Your Team and CRUSH Your Competition in a Market Where You Are Uniquely Positioned to Win. According to research conducted by STRATMOR and the MBA, loan originator sales productivity hasn't changed in over a decade. This white paper illustrates how you can implement a purpose-driven sales process to level-up your team's results and create immediate sales momentum. Topics include, how to improve LO productivity by 30%+ by helping them focus on sales opportunities that are hiding in plain sight; how to recruit and retain top producers in the age of margin compression and competitive pricing wars; and how retail loan originators can compete more effectively in the era of Digital Mortgages, iBuyers and Robo-Advisors. [Click here](#) to access the free white paper.

Join Sierra Pacific Mortgage for a webinar on [Effective Application Interviewing and Review with New URLA](#) on Monday, February 4th. In this informative webinar, we'll review what's needed for a complete Uniform Residential Loan Application, why each piece of data is important and provide best practices for reviewing for discrepancies or potential eligibility issues with supporting documentation. [Register now](#) for this free webinar on Monday, February 4th at 10:00 am PST.

Simplify your underwriting process with Loan Product Advisor® asset and income modeler (AIM). Through the expertise of third-party service providers, AIM automates the manual processes of assessing borrower assets and income. AIM reduces the burden of traditional documentation, speeds up the loan origination process and helps you close loans faster. Freddie Mac is working hard to bring you solutions that create efficiencies for your business and improve the borrower experience - giving you a competitive edge. These capabilities are available for Loan Product Advisor submissions and resubmissions on and after December 9, 2018. Gain greater efficiency in your underwriting processes with AIM – get [The Freddie EdgeSM](#)

Want to start a WHOLESALE channel or need a better TPO Platform? We can help. For a fraction of the cost of fancy, heavy, "legacy" platforms, ReadyPrice can help you start or improve your channel and increase your profitability. Wholesale is expected to double in the next 24 months so it's time to get into (or up) your TPO game. The ReadyPrice all-in-one Pricing Engine, LOS and Wholesale CRM platform is fully configured out of the box, and up to 80% less expensive than other heavy, cumbersome competitors. It comes complete with D1C, deep Fannie DU integrations and can be stood-up in a couple of weeks. The [ReadyPrice](#) LOS/PPE has funded over 300k units for \$70 BILLION and is leading the way forward for today's mortgage bankers as we "utilitize" essential mortgage tech. Call them at (408) 357-0931 or email hello@readyprice.com to get a free demo today.

Lender and Investor Conventional Conforming Changes

Freddie and Fannie **motored on through the partial shutdown**, and lenders and investors continued to react to their policy and procedure changes. Below is a sample of what companies have been doing with guidelines and procedures relatively recently.

A quick correction to a note from Friday: Wells Fargo Funding announced that Super Conforming loan amounts greater than \$1,000,000 are now (not “not”) eligible on Conventional Conforming loans. Also, exceptions from Freddie Mac Condo Project Advisor are not eligible on Conventional Conforming loans.

In reference to all Freddie Mac products, Fifth Third Correspondent Lending no longer requires any written evaluation of self-employment income (or loss), including Freddie Mac Income Analysis Form or copy of the first 2 pages of federal individual tax returns, when a self-employed borrower's income is not being used for qualification when the borrower is qualified using only primary income not derived from self-employment (e.g. salary and retirement) and the self-employment is a separate and secondary source of income or loss. If the requirements of the expanded provision cannot be fully met, the self-employed borrower must still provide at minimum, a copy of the first 2 pages of his/her most recent signed federal individual income tax return and applicable schedules (i.e. Schedule C and Schedule E), which is sufficient to determine if there was a significant business loss. Provisions must be applied individually to each self-employed borrower on the loan. Thus, both provisions could be used on the same loan for multiple self-employed borrowers.

FAMC issued a reminder that with the release of Fannie Mae DU Version 10.3, DU Version 10.1 will be retired. Effective the weekend of December 8, 2018, users will no longer be able to resubmit loan casefiles to DU Version 10.1. Users will be able to view online loan applications and DU Underwriting Findings reports that were created under DU Version 10.1. To obtain an updated underwriting recommendation after the weekend of December 8th, users must create a new loan casefile and submit to DU. Refer to the Desktop Underwriter/Desktop Originator DU Version 10.3 Release Notes for complete information.

Ditech is updating the Freddie Mac Conforming underwriting guidelines related to the following topics: Major Disaster Plan, Home Possible Product - Non-Occupant Borrower, Home Possible Product - Super Conforming Loan Amounts and Social Security Benefits.

Wells Fargo Funding has aligned with Freddie Mac's requirements for conventional Conforming rate/term refinances without project reviews. Wells recommends documenting the loan being refinanced is owned by Freddie Mac with a screenshot or printout of the Freddie Mac loan number from the [Freddie Mac Loan Look-Up Tool](#).

Mountain West Financial announced the introduction of 2-4 units to the Fannie Mae HomeReady program. The highlights include: High Balance eligible, Purchase loans and rate/term refinances (no cash-out), 85% Max LTV/CLTV for 2 Unit properties, 3% Minimum borrower contribution for LTVs >80% and 75% Max LTV/CLTV for 3-4 Unit properties.

U.S. Bank Global Corporate Trust is partnering with Fannie Mae to pilot its new certification system, which includes the ability to provide whole loan certification services. U.S. Bank is one of the first organizations approved by Fannie Mae to provide the service. Joe Giordano, president of U.S. Bank Global Corporate Trust says, “For more than 25 years, Global Corporate Trust has been an approved document custodian for Fannie Mae, Freddie Mac and Ginnie Mae. Adding the whole loan service to our Fannie Mae portfolio will allow us to better serve clients of every size across the government-sponsored space. We're proud to have been one of the few providers that Fannie Mae partnered with on this initiative, enabling us to provide these additional document custodian services immediately.”

Citi Correspondent Lending [Bulletin 2019-02](#) covers updates including LPA Automated Income & Asset Assessment, DU Ratio Tolerance, Non-Reimbursed Business Expenses: DU Transactions, Rental Income Requirements, Verbal VOEs for Union Workers and Master Insurance Policies for Unaffiliated Projects.

Capital Markets

The U.S. 10-year closed last week yielding to 2.75% as Treasuries across the curve bounded upward in unison, **reversing movement from earlier in the week**. Murmurs throughout Friday revolved around China moving toward a QE-style program and Federal Reserve officials considering a pause to the balance sheet runoff. But the big news was the temporary end to the partial government shutdown, good through February 15. Reactions in markets were muted as President Trump acknowledged that the government will be reopened until February 15, but a failure to reach an agreement on funding for the border wall could prompt another shutdown or a declaration of a national emergency to secure funding.

The big news this week will be the **January FOMC Statement**, due for release on Wednesday at 14:00 ET. The statement will give Fed Chairman Jay Powell an opportunity to comment on plans for the balance sheet during the subsequent press conference. **Key economic updates expected** to be released include January consumer confidence and the November S&P/Case-Shiller HPI tomorrow; January ADP

on Wednesday, January Chicago PMI on Thursday and January ISM, and consumer sentiment on Friday. GDP, PCE and construction spending are up in the air. Today's calendar kicks off with the December Chicago Fed National Activity Index. Next up is the January Dallas Fed Texas Manufacturing Index (-5.1) at 10:30AMET. We begin today with Agency MBS worse a few ticks (32nds) versus Friday night and the 10-year yielding 2.76 percent.

Jobs

“Are you a top producer who has given up on that New Year’s resolution to take your lending super powers to the next level – because your current employer lacks a vision for today’s changing markets? You should give serious thought about joining Nations Lending – an award-winning company that is innovative with proven business strategies to adjust to market fluctuations. We’re looking for the best-of-the-best with an eye on the Northwestern U.S. If you’re in the states of Washington, Oregon, Idaho, North and South Dakota, Wyoming, and Colorado. If interested in a Branch Manager position, contact Division Retail Store Sales Manager, Jordan Gerard (337 501-0155) or Division Retail Branch Sales Manager, Derek DeGuits (732-580-5038). For more information and opportunity on how to join our growing organization, please visit the company’s [website](#). Nations Lending, a well-established, Ohio-based, full-service national lender licensed in 47 states, and our dynamically growing team has a place for someone who will not settle for anything less than success.”

“[Atlantic Coast Mortgage](#) (ACM) based out of Fairfax, VA, is one of the top private mortgage banks in the Mid Atlantic. ACM, whose founders were top originators, have grown the company with solid production and first-class operations to become one of the most successful and well-respected mortgage companies in the markets they operate in. ACM’s methodology has always been to outperform, stay relevant, and to stay true to their identity. ACM has built a best in class platform where loan officers can really flourish and have the tools they need to be successful in any market.” ACM’s platform is built by originators FOR originators. If you are an LO or top Producing Branch, to learn more, send a confidential email to Jon Coy, President of Atlantic Coast Mortgage (ACM) to learn more their offering.” ACM is adding Branch Managers and Loan Officers in Pennsylvania, Delaware, Virginia, Maryland, West Virginia, North & South Carolina, Tennessee, and Georgia.

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