

# West Coast LO Jobs; New Broker Non-Agency Product; Economic News Keeping Rates Low

By: Rob Chrisman | Mbn, Feb 4 2019, 9:04 AM

"All mushrooms are edible. Some are only edible once." I am positive there are families in the U.S. that only buy or sell a house once in their life, and if that house sells above or below the asking price depends on a) how accurate the asking price was compared to the market, and b) the strength of the market. Zillow tells us that the share of homes sold above asking price declined each month in the second half of 2018, with December seeing [the largest month-over-month drop since at least 2012](#). 19% of home sales in the U.S. went for above asking in December, down from 21% in November and a peak of 24% in May.

## Lender Products and Services

[Home Point Financial](#) has introduced its new Non-Agency lending platform: Home Point Edge! With Edge, brokers can take advantage of new Non-Agency financing solutions for self-employed borrowers and those with more nuanced situations as an alternative to agency and prime jumbo loans. The Tier 1 - Near Prime product is now available, with Expanded Access and AUS Express options coming very soon. Tier 1 highlights include a 5% down jumbo purchase offering for well-qualified borrowers who can fully document their income, a bank statement program with financing up to 90%, asset utilization to 90% for purchase loans and more. Home Point Chief Business Officer Phil Shoemaker noted, "With Home Point Edge, we've combined innovative products, competitive pricing and a dedicated support team to navigate clients through each step of the process. We're excited to expand our product offerings to meet the needs of an ever-changing marketplace." To learn more email [EdgelInfo@hpfc.com](mailto:EdgelInfo@hpfc.com).

"[Maxwell](#) has a new product for their digital mortgage point-of-sale platform called QuickApply™, which is just the type of innovation we need in the application process for this purchase-heavy market. QuickApply is an easy-to-launch modern mortgage application that, with consent from the borrower, gathers the borrower's information from Maxwell's network of data providers to pre-populate fields in the loan application, filling in personal information like employment history, income, real estate owned, financial assets, liabilities, and more. This new application enables clients to increase their application volume and improve borrower experience by reducing the burden on the consumer during the application. This is just one more innovative step forward from an industry-leading player in the digital mortgage space. Along with QuickApply, their point-of-sale platform is a must-see for lenders looking for a digital mortgage solution that will enhance the relationship between borrower and loan officer. To learn more about Maxwell and QuickApply, request a personalized demo for your business [here](#)."

"Want to start a NON-DELEGATED channel or need a better TPO Platform? We can help. For a fraction of the cost of heavy, 'legacy' platforms, [ReadyPrice](#) can help you start or improve your channel and increase your profitability. 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 more 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 us to receive a free demo today."

Struggling to find an up-to-date list of reliable Down Payment Assistance (DPA) programs to help your borrowers? [DPAssistant](#) makes it easier to find recommended DPA programs across the country. TMS compiled [the exclusive list](#) of 125 recommended programs in 27 states to take the work out of searching the internet for a trustworthy source. Can't get much easier than that.

[Mmentifi](#) CEO Gibran Nicholas is hosting a free webinar this Wednesday, February 6 at 3pm ET: [How to Use a CRM to STOP LOSING DEALS to Your Competition](#). "Our research indicates that most retail loan originators needlessly lose 75% of their sales opportunities because they spend 80% of their time putting out fires instead of making sales," says Gibran. Topics include: how to use a CRM to win more deals and convert more sales leads; how to use a CRM to stay focused on your most important sales opportunities; and, how to use a CRM to spend less time putting out fires and more time doing high-value sales activities. [Click here](#) to register.

## Capital Markets

Rate sheet pricing for borrowers is a function of demand in the secondary market. If no investor, public or private, wants to own an asset like a loan, it won't be made despite a borrower wanting it. There's been a steady stream of conjecture about Fannie & Freddie's future, but what should originators know about what is happening with rates? Why are they as low as they are, and **why are many thinking that the Fed is done raising them?**

(In news of interest to the mortgage market, there were more rumblings on housing finance reform legislation on Friday with the release of an outline from the Senate Banking Committee, noting "We have engaged in a robust process over the past several Congresses on housing finance reform, holding many hearings, briefings, meetings and negotiations. The time is now to resolve this issue." The proposal would turn Fannie Mae and Freddie Mac into private guarantors, with their multifamily businesses sold and operated as independent guarantors; GNMA would guarantee timely repayment of P&I on securities that receive credit enhancement from guarantors that are approved and regulated by the FHFA and GNMA would operate a securitization platform, while the FHFA's structure would be changed to be run by a bi-partisan board of directors versus the current single Director.)

The Fed's transparency about the economy has increased markedly over the years. What are officials saying? KC Fed President George said the **Fed is nearing a neutral level on rates** and should take a break in the normalization process "to assess if the economy is responding as expected with a slowing of growth to a pace that is sustainable over the longer run." Fed Vice Chair Clarida said the Fed may increase rates less than the dot projections suggest given that some of the global growth data have been softening.

All we need is just a little patience, right? The main economic headline last week was the first Federal Open market Committee (FOMC) meeting of 2019 which resulted in no policy changes as widely expected. In the policy statement, however, the markets interpreted comments regarding the Fed's desire to exercise patience as a potential pause in the current tightening cycle and rates rallied following its release. Currently, there is a greater probability of a rate decrease priced into the market than the two rate hikes expected by Fed officials on the last fed funds dot plot. Only time will tell if this statement foreshadows a pause rather than a mere slowdown in the timing of rate increases. As long as the economy continues to expand and the employment market remains tight, a change in policy direction doesn't seem likely. Keep in mind, the Fed also has a large balance sheet it needs to unwind and policy makers remain quiet the timing or the ultimate preferred size.

Up until the (possibly temporary) end of the government shutdown, many economic reports remained undelivered including new home sales which is released by the Census Bureau. Existing homes sales, however, released by the National Association of Realtors saw resales of single-family homes fall 6.4 percent in December to the slowest pace since November 2015. For year, existing sales were 3.6 percent below 2017 and finished averaging a 5.34 million pace. Inventories continued their climb, increasing 6.2 percent year over year. Throughout much of 2018 lack of inventory was cited as a main headwind for sales as prices rose beyond what some were willing to pay or potentially able to qualify. **As inventories increase, home prices should moderate or ease.** The recent ease in mortgage rates over the last couple months should also support homes sales moving forward. Additionally, the strong labor market is expected to be supportive of housing over the near-term.

Looking at the bond market Friday, rates moved higher on the strong news. The U.S. 10-year closed yielding 2.69% as Treasuries across the curve reversed course from the rally throughout the week after the release of a both a stronger than expected Employment Situation report for January and an ISM Manufacturing report for January that showed solid growth in key sub-indices. January non-farm payrolls and private sector payroll figures offered some data-based justification that this economic expansion has more runway as long as consumer spending continues to provide support. The ISM Manufacturing Index was driven by solid growth in New Orders and Production, which suggests the **U.S. manufacturing sector is holding up well** despite concerns about the pace of global growth. Data points like these will help reverse course from the dominating school of thought that the Federal Reserve is right to pause its hiking cycle.

Markets still have a lot to sort out on that front. If you recall, the fed funds futures market saw a 36.8% chance of a rate cut in January 2020 on Thursday, but that probability dropped to 17.2% on Friday with expectations for a rate hike in January 2020 resurfacing once again (5.8%). Markets are still priced for no hikes in 2019.

This week's calendar contains some key economic releases including the trade deficit, services PMIs, productivity and unit labor costs. Fed appearances also pick up including Fed Chair Powell on Wednesday. The Treasury will auction \$38bn 3-yr notes on Tuesday, \$27bn 10-yr notes Wednesday and \$19bn 30-yr notes Thursday. In addition, the Bank of England will be out with its latest monetary policy decision on Thursday. Today's calendar kicks off at 9:45AMET with January ISM for New York. Next up at 10AM are November factory orders, expected to decline though not as drastically as October, and the January Employment Trends Index. After the close, Cleveland Fed President Mester will speak. We begin today with rates a shade higher versus Friday evening: Agency MBS are worse .125 and the 10-year is yielding 2.69%.

### Jobs and Personnel Moves

"Are you a loan officer or branch manager working for a retail lender? Tired of hearing about 'margin compression' or pressure to lower your comp or just frustrated with borrowers shopping and losing deals? Then come to [Advantage Mortgage](#). I'm Derek Hill with Advantage Mortgage Inc. (licensed in OR & WA) and I am an independent-wholesale mortgage broker who is searching for originators. I can help you! As an independent broker, my company has over 50 different wholesale lenders to choose from, which gives us more flexibility than we've ever seen before. We have all of the current technology your retail lender has to offer, and more! The Wholesale Channel is critical to our

industry, and we have amazing systems and a philosophy on origination that keeps you at your highest and best use: bringing in more loans! We welcome competition.”

Tired of shuffling the deck chairs on the Titanic? Pressure to conform to continually shrinking margins? Your solution just might be the brand-new Pinnacle Home Loans, a new innovative lender, designed with the originator in mind. Congratulations to Nevin Miller and partners, for their launch of [Pinnacle Home Loans](#) in Northern California. Previously regional managers for Pinnacle Capital Mortgage, Nevin and team previously built the fastest growing division of Pinnacle Capital from 2012 to 2017, and now set their sights on building upon their success in the new Pinnacle. Founded on a bedrock of operational excellence, Pinnacle Home Loans intends to add branches and originators in California with a unique LO centric focus. “This is a logical evolution” said Nevin. “We fund loans with meticulous execution and our sharp pricing meets the needs of today’s originators”. Interested branch managers and leading MLOs should contact Nevin.

[Caliber Home Loans, Inc.](#) CEO Sanjiv Das is a 30-year veteran of the mortgage industry, whose impressive tenure includes an executive leadership position during the 2008 financial crisis. “Housing Wire” recently reached out to Das for his insight into the current industry landscape and what the next 12 months will look like for lenders and the broker community. [In the interview](#), Das is very optimistic about what lies ahead for non-banks that focus on purchase volume. He tells the publication’s editor-in-chief, “Caliber is a company that’s designed to weather all kinds of storms, including a low margin environment.” In 2018 Caliber’s overall volume exceeded \$40 billion. [Watch](#) the entire interview with Caliber’s CEO to hear what three things professionals in the mortgage industry can expect this year.

[The Mortgage List](#) is proud to announce the addition of Anne Broerderdorf as its National Sales Director responsible for bringing on new vendors and service providers to The Mortgage List’s growing network. The Mortgage List provides a listing of various mortgage related vendors and a comprehensive list of industry events.

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