

Construction, Subservicer, Reverse Products; Technology Options Report

By: Rob Chrisman | Thu, May 23 2019, 9:09 AM

As millions around the globe revel in World Turtle Day, others are more interested about what went on the hallway chatter at the MBA's Secondary Conference as we see the low rates of 2019. How a few of the big banks (Wells, Chase, Flagstar, to name a few) saw their residential mortgage profit rebound dramatically in the first quarter. Capital markets folks wondering "did we learn anything ten years ago" as they watch the increase in interest of non-QM and "non-prime" products by MLOs. (The [Mortgage Elements website](#) lists the top Non-QM wholesale and correspondent lenders for each state and the country. Just click on the Non QM symbol, choose a state, and click go.) M&A and name changes are expected to continue (the latest example comes from North Carolina where Prime Mortgage Lending Inc. will become GoPrime Mortgage Inc. on June 1). Watching "Free Solo" on the 6x6 inch screen in front of one's nose in steerage on the flight to NY just doesn't do it justice.

Lender Products and Services

It just keeps getting better. Part 3 of the new four-part series, "A Crack in The Foundation?", from Maxwell was just released. Part 3 starts at the turn of the century and tackles the first decades of the 2000s, including the thorny topic of the financial crisis of 2008 and subsequent recession. Rather than re-tread the well-worn path through the timeline of the subprime mortgage crisis and economic fallout, Part 3 looks at the larger question of "why". Why did this happen? What signs did we have that this disaster was coming, and why did we overlook them? Why did we bet everything on the American Dream of homeownership, and how do we keep from making the same mistakes this time around? No form or download required, it's 100% free and a must-read for all mortgage professionals. [Read Part 3 here](#). (If you missed Part 1 on Monday, start)

JMAC Lending is pleased to announce expanded product changes to the company's flagship Newport product – a true jumbo product that offers Non-QM alternatives. There are four simple ways to qualify: Full Doc – based on two-years of income; Streamlined Full Doc – based on DU findings for Income, Assets and Reserve; 12- and 24-months Bank Statements; and, One-Year Tax Returns. Enhancements included NOO/Investment properties now allowed for Streamline underwriting, including 2-4-unit properties. NOO, up to 85% LTV, loan amounts to \$3M, including 40-year terms and Interest Only. To learn more, please contact our sales team today. Ask@JMACLending.com, 844.888.JMAC or visit www.JMACLending.com.

1st Reverse Mortgage USA announces the rollout of Surelock, a powerful new software offered by Baseline Reverse that prices specific borrower scenarios instantly, and gives loan officers the tools to have dynamic conversations with reverse mortgage borrowers. Most importantly, Surelock eliminates the need to be a reverse mortgage expert to originate the product. Reach out to Steve Scheiern (877-217-0166) to see how easy it can be to add reverse mortgages to your arsenal.

The mortgage industry is in flux. Fluctuating interest rates. Shrinking inventories. Changing borrower needs. Wouldn't it be nice to have some consistency – especially from your automated underwriting system? Freddie Mac Loan Product Advisor® delivers reliable eligibility findings that foster responsible lending and give you confidence that you're originating quality loans. Its innovative capabilities were developed in collaboration with lenders, providing automation and insights that help reduce costs and increase efficiency. What does it all mean for you? Greater opportunity for business growth and an edge on the competition – The Freddie EdgeSM. Learn more about [ACE](#) and [AIM](#), available exclusively through [Loan Product Advisor®](#).

Do you use Cenlar as your servicer? Richey May & Co., a public accounting firm and leader in the mortgage industry, will be conducting its annual servicer oversight review over Cenlar later this month to assist companies with their monitoring and oversight responsibilities. Richey May's program and subsequent 120+ page report provides value beyond the basic compliance requirements, including face-to-face interviews with all key department heads to observe their processes and challenges, a comprehensive review of business continuity and IT assessments to ensure client and consumer information remains secure, and a summary of the servicer's notable accomplishments and strategic initiatives for the future. The optional loan level testing provides succinct and valuable insight into how your personal portfolio is being serviced, potentially uncovering unobserved information and assisting in the client-servicer relationship. To learn more or to participate in the upcoming review of Cenlar, or our 2019 reviews of Dovenmuehle or LoanCare, please contact Kevin Lohry.

Looking to offer or expand your loans for fix and flip or flip and hold? Verus has your borrower's project covered. Choose a partner with experience in this unique market. The country is saturated with older houses in need of modern upgrades, and Verus Mortgage Capital is here to help you serve your fix-and-flip and fix-and-hold borrowers. With our expanded renovation loan program, we now offer ground-up

construction financing as well as the flexibility to make loan exceptions where warranted for creditworthy borrowers. Whether you're supporting a short-term fix-and-flip project or a longer-term rental loan and looking for up to a 30-year term, Verus offers flexible delivery terms, simplified processes, and the ability to buy loans in bulk or one at a time. We serve lenders big and small. Get in touch with the [market leader](#) in the investor loan solutions sector today. Email Mark Dellovo to learn more.

Tech and Vendor News

It's good to have options, especially when it comes to financial services technology. In the new issue of STRATMOR Group's Insights Report, Principal Andrew Weiss reports on technology options for lenders. "There are so many possible technology combinations for each step to creating a mortgage, lenders can now reasonably consider creating their own 'best-in-breed' platform rather than relying solely on their Loan Origination System (LOS) for this end-to-end experience," says Weiss. "It's not an easy choice for lenders, but a well-designed and executed planning process will help lead to the best possible outcome." Read "Creating a Best-in-Breed Technology Suite" in the May issue of STRATMOR's [Insights Report](#).

MGIC and Blue Sage Digital Lending Platform™ announced an integration of technology providing loan originators the ability to select MI products and order MGIC rate quotes or delegated MI without leaving the platform, improving the speed and accuracy of ordering MGIC MI.

Blue Ridge Bank, N.A. Mortgage Division has partnered with ReverseVision to launch a HECM and reverse lending division that will expand the number of financial planning options offered to the depository lender's senior customers. "RVX's HECM and senior lending platform will empower Blue Ridge Bank to execute on a Generational Lending strategy that serves their many decades-long customers at every stage in life," said ReverseVision Vice President of Sales and Marketing Wendy Peel. "With RVX, Blue Ridge Bank is well supported to extend an exceptional customer experience to borrowers of senior lending products."

Calyx Software's Path® loan origination software (LOS) is now integrated with SimpleCECL™ from LoanScorecard® combining the proprietary credit and prepayment forecasting model and related analytics from Andrew Davidson & Co., Inc. (AD&Co) with LoanScorecard technology to provide loan-level analyses for Current Expected Credit Loss (CECL) and a calculation of the appropriate loan loss reserves to hold, based on the model's projected lifetime losses for that loan. With this integration, financial institutions can seamlessly generate loan-level CECL analysis to ensure accuracy and compliance for all loans originated, including those with a policy exception, as well as an exact calculation for loan loss reserves under the new regulation without ever leaving the LOS.

Ellie Mae announced the launch of its [Ellie Mae Pro Consulting Partner Program](#). Designed to accelerate the adoption of [Ellie Mae's Encompass® digital mortgage solution](#), the Consulting Partner Program provides a broad range of high-quality consulting options for Ellie Mae customers and helps the company accelerate its delivery of the true digital mortgage. By joining the Ellie Mae Pro Partner Consulting Program, consulting partners will have access to additional tools, resources and support, such as encompass test and development environments, regular product updates and best practices coaching and discounted individual training and achievement programs.

Capital Markets

Global relations continue to be the focus of rates. For example, last week markets watched negotiations between the US and China, especially given the **recent unsteadiness in consumer and business spending**. But there was other news as well. Retail sales fell 2 percent in April driven by poor auto sales, however, even at the core level sale were flat. Industrial production fell 0.5 percent in April. But general business sentiment improved in May as seen in both the Empire and Philly Fed surveys. The NFIB Small Business Optimism Index was at a four-month high in April, but given the recent increases in tariffs owners are becoming more concerned with sales and their ability to pass on higher prices to consumers. And **housing appears to be improving** as starts increased 5.7 percent in April and mortgage rates have pulled back from higher levels earlier in the year.

Rate-wise we had a little "rally in the ally" yesterday with the 10-year dropping -3 bps to 2.39%. Reports that the Trump administration was looking to expand the blacklist of banned companies to include the Chinese surveillance sector weighed on equities at the start of the session, and the FOMC minutes had little to say and little impact on markets. The Minutes from the April 30/May 1 FOMC meeting showing policymakers are comfortable with the current fed funds rate range while "a number of participants" saw a moderation in risk and uncertainties surrounding their outlooks for the year. The odds of a September rate hike are now back below 50 percent. Of perhaps more interest was the presentation on the balance sheet where two scenarios were explored – having a portfolio that more closely represents the treasury universe or having one that should be 3-years or shorter in case the Fed would need to implement a twist exercise as part of future monetary policy.

President Trump held an impromptu press conference in the Rose Garden, spending his time not on trade but saying he cannot support an infrastructure bill while being investigated by the Democrats. Finally, British Prime Minister Theresa May resisted calls for her imminent

resignation, her fourth Brexit plan facing little chance of coming to vote, but House of Commons leader Leadsom did resign from government.

Initial jobless claims for the week ending May 18 (-1k to 211k) began today for economic news. Later this morning will be the releases of the preliminary May Markit Manufacturing and Services PMIs, **April new home sales**, and the KC Fed Manufacturing Index for May. Additionally, the Dallas and Atlanta Feds are hosting a conference on technology where Fed Presidents Kaplan, Barkin, Bostic, Daly, and Harker will be appearing. We begin the morning with Agency MBS prices better by .125 and the 10-year yielding 2.36%.

Employment and Transitions

The Ohio Mortgage Bankers Association is in search of an individual to fill the Position of Executive Director. The desired candidate would have experience in the mortgage industry with excellent clerical and organizational skills, be willing to travel as needed for mortgage related events and in working with legislative concerns on behalf of the association, oversee political action fundraising, and assist with Association budgeting. To submit a note of interest, or for a complete job description, contact Ed Hensley. Speaking of the OMBA, it just wrapped up another successful convention in which Ed, above, SVP of the Mortgage Lending Division for Wesbanco Bank, was elected as 2019-2020 President of the Ohio Mortgage Bankers Association. Congrats!

And congrats to Angela Sykes and Liz Collins, two Regional Center Managers with Sierra Pacific Mortgage whose careers are on the rise. Both were recently promoted to manage divisions of Sierra Pacific's retail business. Angela is now in charge of the Southern California Division while Liz is Vice President, Division Manager for the Eastern region. Wholesale & Correspondent Account Executives considering a mid-year career move should consider a move up to Sierra Pacific Mortgage. Established for over 30 years, Sierra Pacific is one of the largest privately held independent mortgage companies in the nation. Well established with a solid reputation, SPM's Wholesale division offers a comprehensive product inventory, competitive rates, partner perks and broker access to the NAMB All In loan origination system. Account Executives are now being recruited for the following cities and states: Seattle, Boise, North and South Carolina, Georgia and Pennsylvania. Confidential inquiries should be sent to TPO Sales.

Are you looking to work for a national lender backed by a well-capitalized publicly traded parent company? NewRez, formally New Penn Financial, is seeking multiple operations positions to support growth: wholesale credit analysts, wholesale processors, closing managers, closers, wholesale loan setup & disclosure analysts, wholesale operation managers, team leads, and client relations representatives. Positions are available in Concord, CA and Milwaukee, WI, and Plymouth Meeting, PA. "We have numerous opportunities to join the growing NewRez team," says Vince Daino, VP of Recruiting and Business Development. "We are realizing significant expansion in all of our business channels which will result in career growth potential for our employees." Signing bonuses available for the right candidates in certain roles. Contact Vince Daino, VP of Recruiting to "Rise with NewRez!"

In California Michele Murphy has joined KeyPoint Credit Union as Director of Sales tasked with expanding the credit union's mortgage lending presence, building the team of mortgage specialists, and fostering new real estate lending partnerships.

And in playing vendor personnel catch up, OpenClose announced that Tom Buenz has joined the company in the position of VP, enterprise sales, to help satisfy an increasing demand for OpenClose's LOS, digital mortgage point-of-sale (POS) solution and ancillary software products.

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