

U/W Products; Digital White Paper; 40% of MLOs Close How Much Total Volume?

By: Rob Chrisman | Wed, May 29 2019, 9:28 AM

Lenders ask themselves, "Would you fund loans where people cannot buy or sell houses because they can't check, or record, liens?" Probably not, and this month Baltimore joined other cities that have fallen prey to [crippling ransomware attacks](#). Using a ransomware variant called RobbinHood, hackers crept under firewalls crippling key city systems. Our industry is always under attack. [The Buffalo News](#) reports that apartment developer Robert Morgan and others have been indicted for 114 counts of mortgage fraud took place from 2007 through earlier this year involving "conspiring to defraud banks, as well as Freddie Mac and Fannie Mae, by providing false financial information and other documents to inflate commercial property values," "deceiving loan servicers [to] conceal the actual financial condition of the properties," and "manipulating income and expense for properties...to meet lender requirements."

Lender Products and Services

Stearns Wholesale is excited to announce a new feature that allows its brokers to control the condition process within SNAP 2.0. With the snap of your fingers, you can push files directly to underwriting for review and speed up the condition review process. Loans move faster so you gain valuable time back. For 30 years, Stearns has empowered their brokers with tools to help them work smarter, more efficiently and close more loans. Hear from tenured Account Executive, Frank Burruel, about Stearns' unrelenting commitment to providing the tools and service their brokers need to grow.

AAG, NMLS# 9392), a leader in senior home equity solutions, is hosting a live learning and networking session focused on utilizing the data behind America's "retirement crisis" to explore the opportunity that awaits. Last year, AAG moved from a monoline product company, selling only reverse mortgage loans, to a home equity solutions business offering a full suite of products and services, putting AAG in a "category of one [Register now for AAG's June 5th Networking Sessions!](#)

When a borrower goes into delinquency, it means there's a disruption to the lender's cash flow, right? Which is not good. And if the lender doesn't have the technology to discover it for several months, they're probably missing out on a lot of cash. That's really not good. TMS has a [blog](#) out right now that explains just how their people and technology help borrowers avoid, as well as get out of, the delinquency state. TMS takes a proactive approach to the whole delinquency issue so a lender can work with borrowers to make sure they get on the right track and stay on it. Which also means that the lender's cash flow is doing what it supposed be doing: flow.

BCG tells us that digital mortgages are here to stay and has released a white paper on the next wave of digital transformation in mortgage. The next generation of homebuyers wants a digital-first experience from end-to-end. The paper takes a close look at how digital solutions are poised to help lenders fight their way through tough times ahead. [View the white paper here.](#)

Deephaven IDENTI-FI AUS, a first of its kind technology, aims at helping originator pre-qualify loans at the point of sale. The IDENTI-FI AUS is powered by LoanScorecard and utilizes LoanScorecard's Portfolio Underwriter technology which analyzes the 1003, fully evaluates the credit report and runs against Deephaven's underwriting guidelines, exception logic, & matrices to provide originators with an instant-read on potential options across Deephaven's non-agency loan programs. This, in turn, enables originators to place loans that might otherwise not qualify. This new technology is free, available 24-7, and is [now at the originator's fingertips](#). To find out more about Deephaven's new technology or its suite of Non-QM products, email Wholesale, Correspondent, or visit <https://deephavenmortgage.com/>.

"Hey lenders, is your team killing it right now? Are you catching deals falling from the sky? So, I guess you don't need all those deals from your database while the market is this hot, right?? WRONG!!! This is the part of the rollercoaster that you and your team love, but rollercoasters are great for theme parks but terrible for business. Soon you'll be on the "I hope we can make it through this dry period" ride and then you are scrambling to get a deal. That's dumb!! Smart lenders are using Automated Borrower Intelligence from [Sales Boomerang](#). Lenders using this service are smiling all the way to the bank with over \$700MM in new originations this year. All of these notifications came from their own database which means 100% of these deals came from existing relationships. [Schedule your demo today](#) and get off the rollercoaster.

Floify has just rolled out their newest partnership and integration with one of the industry's leading credit reporting vendors, Partners Credit. Floify's Partners Credit integration enables lenders who are using Floify to streamline their mortgage process to automatically collect a borrower's credit report from Partners Credit upon submission of a loan application or on-demand directly from their Floify account. Floify's integration with Partners Credit also eliminates the hassle of collecting credit reports by empowering borrowers to digitally submit consent

directly to lenders in just a few clicks. Once ordered, borrower credit reports are seamlessly and securely delivered to the corresponding loan file. Floify's integration with Partners Credit adds to their massive selection of credit, CRM, LOS, VOAVOI/VOE and productivity solutions available to Floify customers who also subscribe to these services. [To learn more about Floify's new integration with Partners Credit, or their dozens of other integrations, request a live demo!](#)

Efficiency

According to data from STRATMOR Group's Originator Census study, the top 40 percent of originators account for more than 80 percent of total volume, a measure which has not changed by more than one percent in any given year. That means that 60 percent of an average lender's sales force produces only 17 percent of total volume. The bottom 60 percent close less than one-half of one loan monthly. What's a lender to do? In a recent article in the Insights Report, STRATMOR Senior Partner Nicole Yung suggests that lenders need to actively manage out low producers. "Our data shows that even for the bottom 20 percent, almost 60 percent of terminations are voluntary, which means these originators are leaving on their own versus the company managing them out or up. If lenders are looking to cut costs, they must be more aggressive in terms of managing sales. Set expectations and stand behind them." If you're looking for strategies to help you stabilize in this environment and build a scalable foundation for future growth, see, "[Strategies for Mortgage Lenders to Maintain Profitability](#)" by STRATMOR Senior Partner and CEO, Lisa Springer.

Vendor News

Non-banks now account for more than 60% of all newly originated mortgages, which means the use of warehouse lines has become an integral part of the origination process. Michael McFadden, former Finance executive from Stonegate Mortgage, has announced the launch of [OptiFunder](#) to automate and optimize the use of warehouse lines for non-bank mortgage originators. OptiFunder leverages Machine Learning and a patented Optimization algorithm to ensure originators achieve the absolute highest spread on warehouse. You best-ex your loan sales, now you can best-ex your warehouse funding. Until now, the funding process has been a forgotten part of the origination process. OptiFunder is fully integrated with the LOS, Warehouse Lender, and Document Custodian to bring automation to a currently manual process.

Cherry Creek Mortgage announced the launch of Connections, its new mobile app designed specifically for real estate agents and builder partners. The app provides loan transparency, real-time collaboration, and digital automation of critical touchpoints between the stakeholders involved in a residential mortgage. [Read more about its App here.](#)

Consolidated Analytics launched its [Consolidated Collateral Analysis \(CCA\)](#), a collateral risk reporting tool that assesses the integrity and accuracy of an underlying appraisal by combining a licensed review appraiser's analysis and commentary with an intelligent, rules-driven risk score, and an Automated Valuation Model (AVM). Key features of the CCA tool include Appraisal Risk Analysis, Collateral Risk Score, embedded Automated Valuation Model, and a Review Appraiser's Value.

Capital Markets

Tensions over trade between the US and China continued to be the main focus in recent weeks as a resolution appears to be further away than markets were anticipating. As a result, last week yields on the US 10-yr fell from 2.41 at the start the week to 2.32 by week's end. Trade data was disappointing in April but it was impacted greatly by the grounding of the Boeing 737 MAX and its impact on civilian aircraft orders. Nonetheless, orders will likely be impacted by the trade negotiations as well as slower overall global growth. A positive outcome from all this has been a **decline in mortgage rates** which saw the rate on a 30-yr fixed drop to 4.14 percent in April; contributing to new home sales running 7.0 percent ahead of last year's pace. Headline new home sales showed a decline in April but this was after March's number were revised upward to a cycle-high 723,000 annual unit pace. April's 673,000-unit pace was the fourth strongest since 2007. Existing home sales continue to run slightly below last year's pace but are expected to strengthen. As a reminder, new home sales are counted when the contract is signed while existing home sales are counted after closing.

Yesterday fixed-income securities began the **holiday-shortened week in rally-mode**, including the 10-year dropping to 2.27%, as the long weekend did not produce any notable progress in trade talks with China. President Trump added salvo to the fire by saying that China is ready for a trade deal, but the U.S. is not ready to make a deal with China just yet. Weekend elections to the European Parliament saw a continuation of a recent trend of growing popularity among nationalist and populist parties. Meanwhile, in Germany, Bloomberg reported Chancellor Angela Merkel now plans to stay in her post until 2021 due to a belief that her successor is not ready to assume the leadership position, and the European Commission may begin a disciplinary process next week over Italy's 2018 debt levels that could lead to a \$3 billion fine.

We start the morning with news that Federal Reserve Bank of New York Markets chief Simon Potter will step down on June 1. **Weekly mortgage applications** for the week ending May 24 from the MBA kicked off today's calendar (-3.3%, refis dropping 6%). There is some second-tier economic news to be released today, as well as the Bank of Canada's monetary policy decision and statement where rates are expected to remain steady. We begin today with Agency MBS prices better by a solid .125 and the 10-year yielding the easy to remember 2.22%.

Jobs

"Nations Lending is proud to announce and congratulate two of our high performing branches for being recognized within their local communities. Our Ocean City, Maryland branch, led by Michael Ciorrocco, was just named a Best Mortgage Company by The Metropolitan Magazine (Berlin & Ocean City regions) by the magazine's readers. The Providence Journal named our Cranston, Rhode Island branch, led by Ken Ferranti – as a People's Choice Award for Best Mortgage Lender for 2019. "We are excited to see that both of these Leaders have been recognized in their communities for the great work that they do." said Corey Caster, EVP of National Production at Nations Lending. "Our goal is to fully support each of our branches in every way possible." Nations Lending is a well-established, Agency/Government Servicer, licensed in 47 states. We are proud to service 100% of the Agency loans we originate. For more information and opportunity on how to join our growing organization, please visit the company's [website](#)."

"NEXA Mortgage, the fastest growing mortgage broker in America, per growjo.com, is expanding. We are looking for a LO's and Branches in AZ, CA, OR, WA, ID, CO, TX, UT, GA, and MT. NEXA is soon to be licensed in NC, SC, VA, MD, IL, WI, NM, and NV. The time has come: We help transition Bankers to Brokers, so don't be left behind. We have fantastic processors who only get paid when the deal closes, just like you. The Best Support in the Business. Be the low rate leader in your market with an industry disruptive compensation plan including revenue share. Contact Michael Neill or [click here](#) to set up a WHY NEXA Zoom meeting."

View this Article: <https://www.mortgagenewsdaily.com/opinion/05292019-mlo-productivity>