

Broker/Dealer, Sales Products; Jumbo/High Balance Trends

By: Rob Chrisman | Fri, May 31 2019, 9:09 AM

Congress has become adept at kicking the can down the road, the latest example being, for the 11th time, passing a two-week extension for the [National Flood Insurance Program](#). Those who actually have to earn a profit usually don't have the time or inclination to delay things, and must act – like closing loans. I remember when there were questions about “refi shops” making the transition to purchase biz, as well as non-bank business growth. Estimates are out already for the top retail lenders in the first quarter of 2019. Apparently, those were answered as Quicken Loans' \$21.8 billion dwarfed Wells Fargo' \$14.1 billion. BofA is estimated at \$11.5 billion, Chase \$9.3. loanDepot followed with \$5.4 billion, followed by Fairway with \$5.3 billion, G-Rate \$5, US Bank estimated at \$4.7, and the Top 10 ends with Caliber and Guild, per Inside Mortgage Finance. (And yes, there may be reporting issues in terms of what exactly is included in “retail.”)

Lender Products and Services

It is an honor and privilege to personally invite you to Volly's #summit11 conference held in Kansas City on June 10-12. Attendees can network with top banking and mortgage executives while learning the latest strategies and technology trends from riveting speakers such as Doug Duncan of Fannie Mae; Daniel Luna, a former Navy SEAL; and Jim Cameron of STRATMOR Group. “Volly's recent merger of LoyaltyExpress, SoftVu, and Lending Manager provides the mortgage industry with powerful technology solutions that transform the customer journey,” said Jerry Halbrook, CEO of Volly. “The Summit is our opportunity to learn and hear directly from the industry about very specific needs for Volly to incorporate into its technology and marketing services roadmap.” This year, 10% of Summit proceeds will be donated to the Navy SEAL Foundation, which supports Navy SEAL families and Giving the Basics, a Kansas City organization that provides personal care items for local residents.

OpenClose® announced that STRATMOR Group's most recent Technology Insight Survey ranked its LOS platform, POS system, and PPE as having the highest Overall Satisfaction and Lender Loyalty Score™ out of any vendor surveyed. Notable is that the company's LenderAssist LOS had the best Overall Satisfaction rating of 9.7 out of 10, a perfect 100 Lender Loyalty Score™, and was the only LOS with zero outages reported. For POS digital, OpenClose scored higher than any vendor for Overall Satisfaction at 9.4 out of 10. OpenClose's DecisionAssist™ PPE ranked highest in Overall Satisfaction and also had a perfect 100 for its Lender Loyalty Score™. In addition, OpenClose was the only vendor to receive a LOS functionality score of 100% from users for ‘Availability of Help Desk’ and ‘Overall Customer Support’ as being “Highly Effective/Competitively Advantaged.”

Caliber Home Loans, Inc. is poised for success in virtually any market condition – **especially as we enter a low interest rate environment**. Caliber is a full-service loan originator and servicer. And because Caliber retains servicing, it's in a strong position to help its Loan Consultants create customers for life – and succeed during a refi boom. Caliber does several things well to help its Loan Consultants maintain their relationships with their customers over the life of the loan. Caliber prints the Loan Consultants' name, contact information and photo on the monthly mortgage statements sent to customers. Caliber emails past clients for the first three years post-close on behalf of its originators and has credit triggers in place to alert its Loan Consultants when past clients are showing a propensity to refinance. And unlike many lenders that operate in Consumer Direct, Caliber's direct-to-consumer channel doesn't compete with its Retail business.

Borrower Satisfaction

Want to know if your technology strategy is a success? According to data from STRATMOR Group's MortgageSAT Borrower Satisfaction Program, technology improvements can have a major impact on Net Promoter Scores (NPS) that measure the likelihood of customers to recommend your company — a reliable representation of potential future revenue. One large independent lender who recently implemented a new Point of Sale (POS) system experienced a 34-point improvement in their NPS score with purchase borrowers taking an application through the new POS. In the [May MortgageSAT Tip](#), MortgageSAT director Mike Seminari suggests three steps lenders can take to tie technology success to the borrower experience.

Jumbo and High Balance Trends

Without 52 basis point guarantor/guarantee fees (“gfees”) and conforming loan level price adjustments, of course **jumbo rates are prone to be lower than conforming conventional products**. Non-depository lenders are having trouble competing with the likes of Wells and Chase in the jumbo channel. Yet per Tom LaMalfa's recent survey at the MBA Secondary Marking Conference, respondents noted that 13% of YTD

origination volume was non-agency jumbo? And KBW notes that at its peak, Redwood Trust held the underlying credit risk for more than 10% of the jumbo residential loan market. Let's see what lenders are doing out there.

Plaza Home Mortgage has announced a new High Balance Access loan program that allows borrowers to qualify for high cost area loan amounts from \$484,351 to \$726,525, at competitive rates, regardless of where the property is located. Plaza's Wholesale, Mini-Correspondent and National Correspondent channels are offering a High Balance Access loan program designed to bridge the gap between conventional conforming requirements and Jumbo loans, giving banks and brokers more options to offer customers to finance their home purchase or refinance. Program highlights include: Loan-to-value ratios up to 90% for purchase and 80% for refinance, Minimum FICO score of 680, Debt-to-income ratio up to 43%, DU® Approve / Ineligible due only to loan amount and Eligible for primary and second home residences.

Plaza Home Mortgage has made [updates to all Elite Jumbo Programs](#) such as its Elite Jumbo and Elite Jumbo Non-QM now allows Second home cash-out to \$1.5 million up to 60% LTV with a 740 FICO and Agency High-Balance loan limits are now eligible for transactions with LTVs greater than 80%. Also, rental income may be allowed for short-term rentals without a lease on its Elite Plus Jumbo Non-QM. And the [AUS Non-Conforming Program](#) has also been updated to include investment properties and delayed purchase refinances, new flexibility in trade line requirements, increased max loan amount from \$2.5 to \$3M, minimum FICO now 640 vs. 660 for purchase and rate/term to 85% LTV and gifts of equity are now allowed. And its [Solutions Non-QM program](#) now allows investment property transactions.

Plaza Home Mortgage now accepts converted [one-time close construction-to-permanent loans](#) so you can offer a streamlined mortgage option for buyers to build their own custom-crafted home. Program highlights include Fannie Mae® Conforming and High Balance, Owner-occupied and second homes, up to 95% LTV, Minimum 620 FICO, 30-year Fixed and DTI per DU®.

Wells Fargo Funding has removed the following Non-Conforming Loan requirements for borrowers receiving commission income: Most recent two years' complete individual federal tax returns to verify commissions earned and expenses incurred. When commission income represents 25% or more of the borrower's total annual employment income, unreimbursed employee-paid business expense must be deducted from the gross commission income.

Wells Fargo Funding expanded its flood insurance requirements for Non-Conforming Loans secured by condos to no longer require coverage for contents of the building owned by the homeowner's association. And updates to its nontaxable income requirements for Non-Conforming Loans have been added to clarify there are many types of nontaxable income and acceptable documentation.

Down Payment Equity Sharing is [now available](#) on PRMG's Ruby JUMBO. Loan officers must be certified with Unison.

Land Home Financial Services offers a [Jumbo 30-Year Fixed Loan](#) PRICED like a High Balance.

Capital Markets

[ED&F Man Capital Markets](#) is pleased to announce that Rod Damon has joined the firm. ED&F Man Capital Markets is a global financial brokerage business and the financial services division of ED&F Man Group. "Blending the heritage of ED&F Man with our Capital Market expertise, our business ethos is built on integrity, client care and careful risk management along with a strong compliance focus. We offer direct access to global capital markets via world class IT infrastructure. We offer a full suite of Capital Market products including trade processing, financing, clearing, execution, market making, and agency based electronic and voice brokerage services. Our Mortgage Products group offers TBA execution, Assignments – approved with all of the major AOT participants, and pricing on MBS Specified Pools. We focus on the needs of our Independent Mortgage Bankers and their Hedge Advisors. Please feel free to contact us toll free (833-491-2816) or email Rod, Rob Branthover, Matt Camp, or Logan Damon."

Looking at rates, an abrupt downturn in domestic demand and weak first-quarter inflation that surprised economists call into **question the Federal Reserve's view that low US inflation is the result of temporary factors**. The minimal increase in inflation, the smallest in four years, **builds pressure on the central bank to decrease interest rates**. But rates were little changed Thursday. The 10-year closed yielding 2.23% though mortgage rates hit new lows with some 30-year rates now below 4 percent for the first time since January 2018 (per Freddie Mac). The average 15-year fixed rate and 5/1 hybrid ARM rates declined to 3.46 percent and 3.60 percent, respectively.

Global growth concerns, which aren't being helped by tariffs (real or talked about), are pushing rates lower around the world. Australia and New Zealand released a series of weak economic and housing stats. China's Commerce Ministry spokesman said it would be unacceptable to sell rare earths to countries that want to suppress China while Nissan is expected to lower its production at ten plants around the world.

Today's month-end calendar began with April personal income (+.5%), spending (+.3%) and the and Core PCE Price Index (+.2%). Later

this morning, markets will digest May Chicago PMI, Michigan sentiment figures, and separate remarks from Atlanta Fed President Bostic and New York Fed President Williams. We begin today with Agency MBS prices up .125-.250 and the 10-year yielding 2.17%.

Employment and Transitions

Sierra Pacific Mortgage. Account Executives are now being recruited for the following cities and states: Seattle, Boise, North and South Carolina, Georgia and Pennsylvania. Established for over 30 years, Sierra Pacific Wholesale offers AEs the security of working for one of the largest privately held independent mortgage companies in the nation. AEs get everything they need to boost sales, including a comprehensive product inventory, competitive rates and access to Calyx Wholesaler MarketPlace. Part of NAMB's All In cloud-based origination system, Wholesaler MarketPlace enables members to securely transfer loan files to Sierra Pacific in seconds, with most approvals delivered in 48 hours. Confidential inquiries should be sent to Amanda Coffrini.

Lenders One is pleased to welcome Justin Demola, CMB, to the role of Vice President, Sales. In this role, Demola will be focused on delivering unique value to members through new benefits, innovative solutions and opportunities to connect. Previously, Demola was a member of Lenders One, serving as COO of MLB Residential Lending, LLC, giving him unique insights into the challenges lenders face in today's market. Additional opportunities to join this burgeoning team include Regional Sales Director – West, Regional Sales Director – Northeast and Chief of Staff to President/Strategic Internal Consultant. The cooperative is ramping up for its biannual Summit August 4 – 7, in Seattle, WA. To take advantage of early bird pricing, register by 11:59pm ET tonight, May 31, at www.l1summit.com. To learn more about open positions, Summit, or membership opportunities, contact Justin Demola.

“We at City National Bank believe that cultivating complex financial relationships will always require genuine high-touch service, producing results that exceed our discerning clients' expectations. Financial expertise, trust and authenticity are the basic qualities we hold in the highest regard and consistently apply to the client experience. If your approach and qualifications line up with the City National brand of mortgage banking, we look forward to hearing from you. As we continue to grow, our Residential Lending Division is accepting applications for Residential Lending Consultants in our West Coast Regions. Whether your experience is in origination, underwriting or senior processing, if you have a strong understanding of self-employed jumbo and super jumbo loan structure, and an innate sense for extraordinary client service, this could be the next step in your career. To learn more, visit CNBCareers or contact Bridget Purviance, Talent Acquisition, at 213-673-9155.”

“Looking for a company offering continuous growth, a full-scale marketing strategy, continued training, career improvement courses? Well according to the 2018 Scotsman Guide Report, Carrington has continued to move up the ranks as a Top 25 company to work for! We offer a complete suite of products including FHA, VA, FNMA, FHLMC and a robust menu of Non-QM programs which has further fueled our growth. We are currently looking to build out our Non-Delegated Correspondent sales team. If you feel your sales skills and experience would be a fit with Carrington, please email John Cervantes.”

Compass Analytics is growing its Sales team in the Northeast and on the West Coast! Compass is an innovative FinTech company and leading provider of mortgage pricing and risk management analytics to banks and financial institutions nationwide. Compass provides cutting-edge analytics, real-time hedge advisory and active risk management services to mortgage originators, bankers, traders and investors. Compass is actively seeking an experienced and energetic Sales Director with a background in secondary marketing or loan origination. If you live in either region and you're an experienced mortgage technology sales professional looking for a great team and great products, Compass may be the right next step in your career. If you're ready to offer exceptional products to mortgage bankers in the Northeast or on the West Coast, please [CLICK HERE](#) to see a detailed job description and to submit your resume.

Congrats to Tanya Hilton who recently joined Dynaxys, LLC, a leading provider of government mortgage loan servicing and property management technology solutions, as the new CEO leading the overall corporate vision, culture, and strategy for the company. She brings nearly three decades of leadership experience with a focus on technology and organizational transformation.

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