

Non-QM, Pricing, Reno Products; Vendor News; CFPB/Freedom Settlement

By: Rob Chrisman | Thu, Jun 6 2019, 10:31 AM

Here on the 75th anniversary of D-Day, recall that, “Those who cannot remember the past are condemned to repeat it.” One could easily follow that with, “Those who remember the past can learn from it.” The death of Herb Sandler (Golden West Financial, sold to Wachovia for \$24 billion in 2006; Wachovia was purchased by Wells Fargo in 2008) yesterday sparked discussions of loan programs and giving borrowers too much flexibility through the fabled Pick-a-Pay program. My guess is that if there were investors for it, or some similar program, plenty of lenders would jump on it again. The talk of eleven years ago reminded me that I was recently speaking to a funeral services salesman who California who surprisingly asked me if I sent out a commentary on the mortgage biz! It turns out he was an LO with Bay Capital in Maryland before being washed out of the biz ten years ago – and read my commentary back then.

Lender Services and Products

Maxwell recently released its amazing four-part series, “A Crack in the Foundation?” which examines the evolution of the mortgage industry & homeownership in America, with an eye on mortgage policies & how they can promote (or prohibit) periods of economic growth. To read the whole series, [Start Here](#), or choose your own part below:

[Part 1: Part 1: Fannie & Friends — The Evolution of Mortgage Policy from 1930-1969](#)

[Part 2: Three Decades of Red Flags — Mortgage Policy & Praxis, 1970-1999](#)

[Part 3: Sideswiped by the American Dream](#)

[Part 4: A Cautious New World.](#)

There’s a big shake-up going on in the mortgage industry. Wholesale brokers are picking up momentum, gaining market share, and simply dominating the mortgage space. Find out what it takes to make the switch from retail to independent at [BeAMortgageBroker.com](#). We can help you take the next steps toward opening your own mortgage broker shop or help match you with an independent mortgage broker in your area. Call us for a free, confidential consultation and continued support throughout the process at 800.229.6342 or learn more at [BeAMortgageBroker.com](#).

One of the biggest myths in the industry is that there are no homes available for first-time homebuyers. Wrong. There are plenty of homes. People simply don’t know where to look. Over the last decade, at least 1.7 million housing units were deemed uninhabitable. What if these homes were made livable again and put back into the market? It’d be a win for lenders and borrowers, creating much-needed housing stock. With the right education, communication and customer service, renovation loans can be executed effectively and make obsolete homes habitable again. TMS put together [this in-depth list](#) on the best practices for successfully executing a renovation loan to help lenders confidently provide them. It’s a win for everyone involved.

Unlock opportunity in a growing market with Loan Product Advisor® asset and income modeler (AIM) for self-employed borrowers. AIM for self-employed is Freddie Mac’s solution to automate the manual lender process of assessing borrower income using tax return data. It’s also the industry’s only AUS-integrated self-employed borrower income calculation solution. AIM for self-employed makes it easier to do more business, close loans faster and get immediate income rep and warranty relief related to certain borrower employment income. Freddie Mac has teamed up with third-party service provider, LoanBeam®, in leveraging their expertise and powerful optical character recognition (OCR) technology to supply qualifying income for any applicant. Freddie Mac’s broad release of AIM for self-employed on March 6 is the next step in their journey to provide homeowners. [AIM for self-employed](#) borrowers ... and get YOUR edge.

ClosingCorp, the leading provider of real estate closing cost data and technology, recently introduced SmartEngine, a software-as-a-service enterprise solution that captures and manages lender and investor fees across channels and platforms, assuring accuracy and reducing speed to market for new program. Used by a top five lender and touted for its ability to help lenders avoid fair lending pricing risk, this single centralized repository interfaces with commercial loan origination systems, point of sale solutions, pricing engines and internal proprietary systems to track and control lender fees, adjustments and overlays. Learn more about ClosingCorp and its products at [closing.com](#)

“Announcing our biggest pricing special ever and the launch of iPrice Mobile! Now is the time to take advantage of our [June pricing special](#), offering a 50 BPS pricing enhancement on all of our Non-QM loan products including [Bank Statement](#), [Investor](#), [Agency Plus](#) and [Asset Qualification](#). iPrice Mobile—get Non-QM loan pricing anytime, anywhere. Now available for the first time on the Store for Apple and Play for Android devices, iPrice Mobile makes pricing your loan easier and more convenient than ever. Try it now! If you’re not an approved broker

with us yet, started or submit your application today. It's time to experience [Non-QM done right.](#)"

Vendor News

With over 1,400 vendors/service providers tumbling over each other, no wonder companies like [The Mortgage List](#), [Vendorly](#), and [HQ Vendor Management](#) have lots of interest. Vendors do plenty of things besides combine words or creatively spell to create their name. Let's take a random look at what some have been up to.

Indecomm Global Services, a leading provider of business process as a service (BPaaS), software as a service (SaaS) technology, and learning solutions for the mortgage industry, today said that BBVA Compass has selected its [IncomeGenius®](#) software as the automated income calculation platform for its mortgage business. IncomeGenius® enhances the mortgage loan origination process by getting accurate income information right at the beginning of the loan transaction. It alerts the borrower about missing income documents and additional potential income and reduces tax return review time by as much as 50 percent.

CoreLogic® announced the availability of data and reports within the [CoreLogic Store](#), a self-service, e-commerce portal providing instant access to leading property data and analytics from CoreLogic. Through the CoreLogic Store, small businesses and other industry professionals can obtain a variety of reports on properties, comparable sales, document images, automated valuation models and more without a long-term commitment. The CoreLogic Store provides nationwide information on properties, covering approximately 99% of U.S. residential properties. In total, the Store offers insights on more than 150 million residential and commercial parcels.

CERTIFID has released an educational eBook for the real estate industry to better understand and protect themselves from wire fraud. [Clear to Close](#) is a complete guide to understanding and preventing real estate wire fraud. Key points of information include how it happens, parties affected, why it happens, fraud strategies to look for, how to prevent, how to recover and understanding insurance coverage.

Ellie Mae launched [Encompass Digital Lending Platform™ 19.2](#). The latest release will help lenders of all sizes originate more loans across a wider variety of loan types, capitalize on the growing HELOC demand, sell and deliver loans more efficiently, provide a better loan officer experience and leverage the power of data to make better decisions faster. Key highlights for the Encompass Digital Lending Platform 19.2 release include: Temporary buydown and enhanced HELOC support, Expanded Investor delivery services, Encompass Consumer Connect Single Sign-On (SSO), Loan officer workflow enhancements, and new loan audit capabilities.

Ellie Mae announced an expansion of [Encompass Investor Connect™](#) with partnerships that now include seven of the ten largest correspondent investors: AmeriHome, Flagstar Bank, Franklin American Mortgage, Mr. Cooper, NewRez (formerly New Penn Financial), TMS and Wells Fargo, as well as other top ten banks, with more partnerships to be announced in the coming quarters.

[Calyx Software](#) now has a new brand identity, website, and enhanced service options for customers.

[Promontory Fulfillment Services LLC](#) (PFS), a mortgage fulfillment services that include an advanced digital point-of-sale solution, announced that its white-label mortgage origination platform is now integrated with [ComplianceEase's](#) automated compliance solution, [ComplianceAnalyzer®](#). The integration with [ComplianceAnalyzer](#) allows PFS to automatically audit mortgage loans for regulatory compliance with all federal, state and municipal regulations, including TRID and QM, as well as federal and state high-cost and anti-predatory lending violations. The solution also audits for compliance guidelines set by the secondary market and government-sponsored enterprises. Both PFS' mortgage fulfillment services and [ComplianceAnalyzer](#) are endorsed solutions by the American Bankers Association.

[Roostify](#) has partnered with [Docutech](#) for enhanced eSign and eClose capabilities within the platform. Consumers can view, complete, and eSign documents, all within the Roostify platform. Everything created and signed inside the platform is compliant with federal, state and local regulations. By leveraging Docutech's ConformX dynamic document generation engine and Solex eSign platforms, mortgage disclosure documents are created and presented to the consumer for completion and signature without having to use an outside application. Roostify's digital-first platform is accessible on mobile devices allowing a much quicker closing time. In addition to disclosure forms, the Docutech integration now gives Roostify's customers access to eClosing solutions, which enable a more efficient and streamlined closing experience for consumers, lenders, and third parties.

Freedom Mortgage Settlement

[The Consumer Financial Protection Bureau \(CFPB\)](#) announced it had settled a consent order with Freedom Mortgage Corporation over errors in reporting on mortgage transactions. The CFPB found that Freedom had violated the provisions of the Home Mortgage Disclosure Act by reporting inaccurate race, ethnicity and sex information "and that much of Freedom's loan officers' recording of this incorrect information was intentional." Freedom will pay a civil penalty of \$1.75 million and "take steps to improve its compliance management to

prevent future violations."

Capital Markets

Of course mortgage rates are "sticky" on the downside versus movements in the Treasury market. That should be a surprise to no one. Capital markets pricing folks don't ever push rates down as fast as we push rates higher for a variety of reasons. No one knows for sure if rates will stay down, it is a good time to add some margin and keep control of locks, and it dampens rate lock renegotiations on existing locks.

Yesterday lower coupon mortgages didn't do well relative to other coupons, and U.S. **Treasuries ended Wednesday on a mixed note**, as supply and demand was impacted by yield curve steepening amid growing speculation of an imminent rate cut. The 2-year yield closed -4 bps while the 30-year yield closed +3 bps, meaning shorter term treasuries were less appealing to investors at higher yields, and longer dated Treasuries now being seen as a less volatile and safer investment by comparison. The release of a much weaker than expected ADP Employment Report for May (the lowest print in nearly 10 years) helped drive both short-term market uncertainty and rate cut expectations higher.

The Federal Reserve's June Beige Book described economic activity during the survey period as expanding at a "modest" pace but the fed funds futures market sees **nearly a 70 percent implied likelihood of a rate cut** at the July 30 FOMC meeting while the implied probability of another cut in September sits just above 56 percent. The World Bank lowered its 2019 global GDP growth forecast, the IMF lowered its 2019 and 2020 forecast for GDP growth in China, Hong Kong's Manufacturing PMI fell deeper into contraction in May, Australia's Q1 GDP missed expectations, South Korea's April Current Account recorded first deficit in seven years, and India's May Nikkei Services PMI decreased.

Today has already seen the latest ECB decision (unchanged into 2020) and statement. European Central Bank head Draghi's press conference is currently under way. Domestically, Challenger, Gray & Christmas announced layoffs for May (+46% to 59k), we received initial claims for the week ending June 1 (218k), April's trade deficit (\$50.8 billion), Q1 productivity (+3.4%) and unit labor costs (-1.6%) and Dallas Fed Kaplan delivering remarks. Later New York Fed President Williams speaks. We begin today with Agency MBS prices better by .250 and the 10-year yielding 2.09%.

Jobs

loanDepot dominates again – securing the #1 Retail Volume Lender spot, back-to-back years, in both [Scotsman Guide's Top Mortgage Lenders issue](#), as well as [Mortgage Executive Magazine's Top 100 Mortgage Companies list](#) for 2018. loanDepot's fully digital mortgage, powerful lead aggregation platform, unique portfolio product suite, and Modern Lending Playbook training program are just a few of the reasons why the lender attracts top industry talent and tops the charts each year. Want to learn more about what makes us #1? [Check out Our Story here](#), or reach out to Shane Stanton. loanDepot would also like to congratulate all the top lenders and originators out there that ranked on these respected and competitive lists!

You have tried the rest now, try the best! Going on its 6th year of its ALTA NonQM offering, [LoanStream](#) mortgage continues to be a service leader and product innovator. No Income, No Doc? No Problem! Need a solution for Jumbo loans up to \$10M with alternative documentation options? No problem! Whatever your need, LoanStream is cutting through the clutter with their simple ONE Program and ONE rate sheet. They also continue to be the ONE Lender and one-stop shop for all agency and government needs. Brokers or Correspondents interested in signing up should contact clients@smortgage.com. Industry professionals interested in careers with LoanStream should contact inquiries@smortgage.com.

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