

LO Training, E-Closing, Marketing Products; FHA and VA Changes

By: Rob Chrisman | Tue, Jun 11 2019, 8:17 AM

As I head to Kansas today, I have a great quote. Lenders I visit with are optimistic, raising margins to slow volume based on capacity constraints, and entirely different outlook than a few months ago. James Duncan with Texas' Thrive Mortgage sent, "Watching a lot of what's going on frequently reminds me of one of my favorite quotes about our industry. Dartmouth's John Vogel quipped, 'The real estate industry is comprised of 10-year cycles and 5-year memories.' And every month we have dozens and dozens of housing statistics thrown across the airwaves, and yes, they have cycles. In the NAHB's new Home Building Geography Index, a quarterly measure of building conditions across the country, the "exurbs" (outlying counties of large metro areas with at least 1 million residents) were [the only region type to show net single-family permit growth](#) from the first quarter of 2018 to the first quarter of 2019. Single-family permits grew by 1.6% in "exurbs" during this time frame.

Lender Services and Products

According to Garth Graham from the STRATMOR group, "digital is no longer a competitive advantage — it's the new reality. Borrowers expect a digital experience, and lenders who are not offering their customers options for executing disclosures, uploading docs, and other origination steps are falling far behind their peers." Digital mortgage platform provider Maxwell offers highly customizable and effective technology for retail-focused lending teams to empower their LOs and accomplish more and drive real results in today's purchase-heavy environment. To learn more about Maxwell's platform visit www.himaxwell.com or [request a demo here](#).

Hey Loan Officers! How often have you spent valuable time trying to read through rules and guidelines, hunting for the answers that just don't seem to show up? And how many times have you been desperate for some direct advice from an expert? Have no fear, The Rule Tool is here! This handy app gives lays out agency rules and guidelines in a way that is straightforward and easy to navigate. With software that is updated and maintained daily by our knowledge experts, it's like having an underwriter right in your pocket, ready to help you anytime, anywhere! Let The Rule Tool lead you along the path to success by getting you the answers you need, FAST! Visit [our page](#) to learn how The Rule Tool can help you today!

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 [AIM for self-employed](#) borrowers ... and get YOUR edge.

Achieving the American Dream can be one of the happiest – and most stressful times – of a consumer's life. But with the right loan officer – a loan officer who offers empathy throughout the buying process and humanizes the customer experience – the process can be smoother than one may think. Read the Total Expert blog, [Are You in the Mortgage Business or the American Dream Business: How to be More Human in Your Marketing](#).

It seems everyone in the industry is pushing for e-mortgage and e-closing adoption, but few are talking about the roadblocks settlement agents face regarding e-closings. Simplifile's Nancy Alley shares her insights on [Settling the Matter](#) and how lenders can help facilitate e-closing adoption among settlement agents. It shouldn't be a race to the e-mortgage finish line, but rather a relay, with each segment of the industry helping the other to move forward. Reach out to the Simplifile team if you're interested in learning more about how you can help settlement agents move forward with e-closings.

Todd Duncan just announced the game-changing e-course [Disrupt or Die: How to Win with Value](#). As a precursor to the [Sales Mastery Event](#), the course is available FREE for a limited time only. You will learn three simple ideas to disrupt your business, market, and industry:

Create Optimal Market Value to Attract More Customers, 8X Your Referrals, and Gain 5-Star Ratings on Every Deal. Todd's High Trust Company is passionate about equipping you with the tools needed to thrive in today's changing market. It is imperative to implement these disruptive strategies in the next 30 days to impact your career forever. Don't miss out on dominating today's market! [Sign up for Disrupt or Die TODAY!](#)

FHA, VA, Ginnie, and HUD Changes

The annual recertification process is being commented upon by several relevant trade organizations. We'll see if anything changes. And, of course, the FHA, VA, Ginnie, and HUD complex continue to evaluate non-bank business models.

(Quick trivia note: If you've ever wondered, HUD defines the accessory unit as a "habitable living unit added to, created within, or detached from a single-family dwelling that provides the basic requirements for living, sleeping, eating, cooking, and sanitation." There will be a test Friday.)

FHA is extending the public feedback period on its proposed revisions to the Addendum to Uniform Residential Loan Application (Form 92900-A) posted on the [Single Family Housing Drafting Table](#) (Drafting Table) on [hud.gov](#) until 11:59 PM (Eastern) on June 30, 2019. FHA is extending the feedback period to give interested parties additional time to review and submit feedback on the proposed changes. The feedback deadlines for the Annual Lender Certifications and the Defect Taxonomy—also posted on the [Drafting Table](#) will remain the same, and end on June 8, 2019.

Wells Fargo Funding updated its eligibility exclusion messages and price adjuster descriptions to include **clearer information on government loans** locked on or after June 17th. Enhancements include removal of eligibility exclusion rule ID numbers and less abbreviations used.

In response to recent updates made by VA to its Lender's Handbook, Wells Fargo Funding will not purchase VA Loans for properties where the only means of waste disposal is a pit privy. The property must have another type of approved system as the primary source of waste disposal.

BBVA Compass recently enhanced its [slate of programs](#) and announced that it is now offering additional closing cost assistance for low-to-moderate income (LMI) borrowers that qualify for FHA(1) or VA(2) home loans. The bank, which presently offers the HOME program, or Home Ownership Made Easier, is offering a similar contribution arrangement for qualifying FHA or VA home loan borrowers as it does with HOME. Qualifying borrowers can receive a total of up to \$3,500 in assistance from BBVA Compass toward closing costs and other assistance for FHA loans and up to \$2,500 for VA loans.

Guideline updates from First Community Wholesale in [Announcement 2019-18](#) are specific to FHA's revisions/clarification on building on own land and VA updates to appraisal requirements and document requirements for new construction.

As a "[start of summer special](#)" Mountain West® is offering free appraisals on FHA Purchases through the month of June to its valued Broker partners.

Lender Price and the National Association of Mortgage Brokers (NAMB) announced the release of NAMB Marketplace, a new loan origination tool that features a loan pricing engine and a digital loan portal. Originators input a loan scenario and the product pricing and eligibility (PPE) engine automatically compares real-time prices between 18 wholesale lenders, including 7 of the industry's top 10 lenders. A wide range of product types are available, including Conforming, FHA, VA, Non-Agency and Non-QM. Once a lender and a price are selected, originators instantly send an email invitation to a borrower, enabling rapid collection of loan application information in both a desktop and mobile format. NAMB and Lender Price are offering the NAMB Marketplace tool to all NAMB members at no cost.

Mountain West Financial® (MMF) is currently reviewing its internal processes and procedures as well as working with Down Payment Assistance (DPA) providers to satisfy the requirements set forth in HUD's Mortgagee Letter 19-06 ([ML 19-06](#)). We are awaiting further clarification on the various aspects and requirements of this Mortgagee Letter. However, in the interim all approved DPA programs offered by MMF are still available for use with FHA financing. MMF is conducting business as usual until further notice.

Mortgage Solutions Financial issued [Announcement 10-19W](#) regarding the VA IRRRL Updates and Changes.

Capital Markets

A cooling US labor market reflected in May employment data **could persuade Federal Reserve officials to lower interest rates** when they meet this month or in July. The unemployment rate held at 3.6%, but hourly earnings gained 3.1% over the previous year, compared with 3.2% in April and 3.4% in February. Federal Reserve officials have implied the possibility of an interest-rate decrease as soon as this month, in light of a weakening economic outlook and ongoing trade tensions. Futures traders have signaled a 20% chance of a rate reduction at the Fed's meeting this month and a **70% chance of at least one decrease by the meeting in July**.

The Federal Reserve is in the spotlight as it heads into its June 18-19 meeting following weaker-than-expected employment numbers in May as well as increasing uncertainty in trade negotiations with China. While the expectation is for the FOMC to leave the fed funds rate unchanged, the markets will be looking for any forward guidance regarding expectations of multiple interest rate cuts during the second half

of the year. Unemployment remained low at 3.6 percent and average hourly earnings increased a modest 0.2 percent during May which saw a weaker-than-expected 75,000 increase in jobs. Elsewhere, initial unemployment claims were at 218,000 for the week ending June 1. In April, the trade gap narrowed, suggesting that net trade **may be a positive contributor to second quarter GDP**, however this could change following May and June data. While trade is beginning to impact manufacturing, the service sector received positive news with the ISM Non-manufacturing index rising from 55.5 to 56.9 in May, indicating moderate expansion in the largest sector of the economy.

China and Mexico were at the forefront of U.S. investor thinking to begin the week, the former posting a May trade surplus well above expectations on the back of an unexpected increase in exports, and the latter avoiding the implementation of tariffs on exports to the U.S as President Trump stated he is satisfied for now with steps taken to reduce illegal immigration at the border. U.S. Treasuries began the week with losses across the curve, including the 10-year hitting its highest level since the end of May when it touched 2.15% before closing at 2.14%. Global growth concerns hovered in the background, with Italy's April Industrial Production decreasing when it was expected to increase, and our domestic Job Openings and Labor Turnover Survey showed that job openings decreased in April.

The NFIB Small Business Optimism Index for May will start off today's domestic economic calendar followed by the May Producer Price Index and later the Redbook same-store sales for the week ending June 8 and the first leg of this week's Treasury mini-Refunding when \$38 billion of 3-year notes will be auctioned.

Employment and Transitions

If you're a Branch Manager or Loan Originator and you're generating your own business, then you get to pick your own compensation level when you originate for [MortgageRight!](#)

In addition to an immediate pay raise, we also offer upfront marketing funds, a high-performance personal assistant, and a dedicated in-house production team - all designed to help you skyrocket your income even further! If you've been losing loans due to pricing and getting stuck micro-managing your files with no time to go develop new referral relationships, give us a call to see how you could leverage our proven systems to help you double your income this year! MortgageRight is the home of the aggressive compensation platform for producers who are looking to 2X their income. If you're a producer whose business is completely self-generated, call Alvaro or Mike at (678) 716-7400 or check out the opportunity post [here](#) to learn more about this unique opportunity to run your mortgage business on a true P&L.

Congrats to Steve Morse who has joined Sprout Mortgage to cover the Southeast as a correspondent/wholesale AE offering non-QM and jumbo products.

Out of Virginia comes news that Michael Blair has joined 1.4 million customer LoanCare, a ServiceLink company, as Chief Administrative Officer to "improve capabilities like technology and infrastructure. He will also carefully oversee the onboarding of new clients and servicing portfolios."

And LoanLogics (loan quality technology for mortgage manufacturing and loan acquisition) announced that Paul Vancheri has joined the company as EVP of Technology responsible for the company's timely delivery of high-quality software to the mortgage industry reporting to CEO Bill Neville.

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