

MI, Broker, IO Products; A Wealth of Freddie and Fannie Updates

By: Rob Chrisman | Wed, Jun 12 2019, 8:45 AM

In the tech world, the question of, "What is real, and what isn't?" is becoming more of a problem to determine than ever before. The latest is in re-programming video and voices to [make up whatever is said](#), just by typing it! Technology is a two-edged sword. What's going on in the legal profession, technology-wise? "Time's up. Please put down your No. 2 pencils." After 71 years, the last time the pencil-and-paper version of LSAT was given was this month. The old-fashioned way to administer the law school entrance exam was left in the dust by other standardized tests that computerized long ago. Yet Philadelphia pulled the plug on its website and e-filing system on May 21 due to a "virus intrusion." Lawyers are back to old-school methods of using paper filings and couriers to get the job done.

Lender Products and Services

Stearns Wholesale Lending is excited to announce the release of the Stearns Conforming Interest Only Loan Program. With 30- and 40-year fixed options, the interest-only conforming loan is available for both purchase and cash-out options up to 95% with no mortgage insurance. Merely run DU to obtain your Approved-Eligible (or in certain circumstances Approved-Ineligible) findings, check against the guidelines, and you are done! Learn more about this unique offering by watching [this short video](#).

National Mortgage Insurance Corporation (National MI) is now integrated with the Blue Sage Digital Lending Platform, a browser-based, end-to-end mortgage platform enabling lenders to **obtain immediate and accurate National MI rate quotes** and order delegated mortgage insurance without ever leaving Blue Sage. The integration brings National MI's innovative, real-time, risk-based mortgage insurance pricing to Blue Sage, a comprehensive platform that handles retail, wholesale, correspondent, and consumer direct channels. The integration leverages Blue Sage's unique application programming interfaces (APIs), which enable seamless interoperability between third-party technology providers. A truly end-to-end system, Blue Sage also tracks and updates data changes throughout the loan file in real time, so if new data requires mortgage insurance to be reordered or repriced, it happens automatically. "National MI's products and groundbreaking risk-based pricing technology make them a perfect partner for us," said Joe Langner, CEO of Blue Sage. "Blue Sage automatically alerts users if changes in the loan file require mortgage insurance to be reordered or repriced, unique among mortgage platforms because only Blue Sage was built with today's modern technology."

Simplify your underwriting process with Loan Product Advisor asset and income modeler (AIM). Through the expertise of third-party service providers, AIM automates the manual processes of assessing borrower assets and income. AIM reduces the burden of traditional documentation, speeds up the loan origination process and helps you close loans faster. Freddie Mac is working hard to bring you solutions that create efficiencies for your business and improve the borrower experience - giving you a competitive edge. These capabilities are available now. Gain greater efficiency in your underwriting processes with AIM- get [The Freddie EdgeSM](#).

It just got even easier to close more deals with less effort with Usherpa and Blend's enhanced powerful two-way data exchange integration. The integration allows Loan Officers to simply push a contact to Blend from their Usherpa database AND Usherpa pulls prospects from Blend daily via the integration. This potent two-way exchange is game-changing. Prospects flow automatically from Blend to Usherpa, capturing all applications started in Blend but not submitted. Pulling these prospects into Usherpa's Relationship Engagement Platform and automatic marketing campaigns, keeps potential borrowers engaged with the right message at the right time. The Usherpa/Blend integration increases pull-through by multiplying the number of applications that close, so you never miss an opportunity. Learn about Usherpa's Relationship Engagement Platform today!

Floify just released a major update to the borrower-facing mobile and desktop views of their industry-leading mortgage point-of-sale system, which ensures their platform is compliant with the Americans with Disabilities Act's (ADA) Web Content Accessibility Guidelines (WCAG) 2.1 AA standard. Now borrowers who have visual or hearing impairments will receive full and equal access to the Floify platform, even if they rely on adaptive technologies such as screen-reading software. Today, there are big reasons why lenders should be concerned about their compliance with the ADA, including the dramatic rise in federal lawsuits that have been filed against businesses that fail to implement accessible technology as part of their operations. This trend has made it abundantly clear that companies, including lenders, need to ensure their businesses are accessible for all. [Learn how Floify is helping lenders meet ADA standards and improve the mortgage process for everyone – book a live demo!](#)

Quicken Loans Mortgage Services (QLMS) is the fastest-growing mortgage lender serving the needs of brokers, regional banks and credit unions. The second-largest lender working with mortgage brokers, QLMS, had a 180% year-over-year increase in its volume from Q1 2018 to the first quarter of 2019. QLMS has also already surpassed its closing volume from all of 2018. And it's only June. QLMS's Charlotte, NC

office has more than doubled in just five short months and is now more than 600 team members strong! The number of partners QLMS serves has also doubled in the past year and recently topped 5,000. 2019 has been an incredible year and they're only getting started. If you're not yet working with QLMS, connect with it [here](#) to learn how they can help you grow your business.

On-Demand Webinar: "Renovation Lending 101: Understanding Consumer Renovation Loan Products to Grow Your Business." With half of US houses built before 1980, the demand for home renovation is growing at an expansive rate. Renovation loans give borrowers more options when purchasing a home, and they allow lenders to stay competitive and successful in today's market. Join Land Gorilla for this 30-minutewebinar all about renovation lending. Learn about popular renovation programs like 203(k) and HomeStyle Renovation, discover the typical renovation loan processes and costs, understand the required disclosures, and we will identify key performance indicators essential to success. [Watch now.](#)

Freddie and Fannie: Guns Blazing

Certainly we will see the FHFA move Freddie and Fannie toward scaling back categories such as non-owner occupied and cash-out refinances. After all, is it their mission to make sure that an investor with 7 properties, looking to purchase an 8th, has the same rate and price adjustments as a family in the late 20's buying their first home? Some believe that in the near future the changes F&F make will reduce their lending along the coasts. Stay tuned!

The industry is abuzz about **Fannie dropping its AMI requirement to 80%** impacting lenders across the nation doing the HomeReady program. DU changes include some additional layered risk changes, effective July 20th. (Loans may move from eligible to ineligible, so hopefully loans that fall into this category are minimal; talk to your Fannie rep for details.) Freddie made several changes to its condo policies and project underwriting that should be reviewed. Both Agencies appear to continue to require any seller/servicer to conform to their flood policies.

The updated HomeReady® income limits and DU eligibility assessments are effective on new loans submitted to DU on or [after July 20, 2019](#). The HomeReady® income limits shift from 100% to 80% of area median income (AMI), including properties in low-income census tracts.

DU Eligibility? Higher risk loan profiles will receive fewer approvals. And 85% cash-out transactions that receive an Approve/Ineligible due only to max LTV will remain eligible for origination.

Beginning later this month, Freddie Mac will be offering a **new home improvement financing option**. CHOICERenovationSM provides one loan and one closing. Plus, to provide liquidity, approved lenders can sell Freddie Mac the loans with recourse before renovations are completed.

Freddie Mac posted updated Condominium project requirements in [Guide Bulletin 2019-11](#). Highlights for Condo updates include Ineligible condominium projects, Condominium project reviews, delivery requirements and Condominium projects with commercial parking facilities. Other updated information in the Guide include credit underwriting and mortgage eligibility, private flood insurance requirements and the addition of the demographic information addendum to Form 65, Uniform Residential Loan Application.

As of June 24th, new search capabilities, improved navigation and delivery enhancements will be available in Freddie Mac's Loan Selling Advisor®. Certain special characters will be accepted as well making it easier to deliver Home Mortgage Disclosure Act (HMDA) data attributes. In addition, new credit score providers were added to the list of enumerations for delivery in Loan Selling Advisor. Freddie Mac Single-Family announced the launch of its newly redesigned website at [sf.freddiemac.com](#) and enhanced Single-Family Seller/Servicer Guide*.

Fannie Mae issued a new Lender Letter, [LL-2019-06](#), describing updates to the HomeReady® income limits and the Desktop Underwriter® (DU®) eligibility assessment in response to certain regulatory and market developments. DU Release Notes for the Version 10.3 July update have been revised and reposted to reflect the eligibility assessment changes.

The Fannie Mae [Selling Guide Update 2019-05](#) implements changes related to tax reform legislation, includes updated requirements for acceptable title insurers, simplifies Uniform Residential Loan Application (URLA) (Form 1003) requirements, provides guidance on the purchase of certain LIBOR ARM loans, and introduces a new special feature code for loans with remote notarization.

Fannie Mae has issued a [Notice](#) related to a new federal private flood insurance rule, applicable only to depository institutions, effective July 1st, 2019.

Freddie Mac provided [an update to Phase 3 of the Uniform Loan Delivery Dataset \(ULDD\)](#), as a follow up to the joint GSE announcement which includes the following data point clarifications: To further align the GSE specifications and support the new Uniform Residential Loan

Application, PropertyStructureBuiltYear (ULDD Sort ID 67) will be conditionally required as of July 1, 2019 and the list of enumerations for CreditScoreProviderName (Sort ID 591.1) was updated.

Fannie Mae has two new APIs on its [Developer Portal](#). Property Type which provides an estimated property type from appraisal data previously submitted and increases certainty on property type information by reducing the potential for rework to correct loan applications. Appraisal Summary Findings that simplifies appraisal data sharing by providing lenders, mortgage insurers, and aggregators direct access to the latest appraisal information.

Fannie Mae reduced its standard [Project Eligibility Review Service \(PERS\)](#) submission fees and removed fees related to the per unit costs, extensions, and certain commercial uses.

As of May 20th, all Uniform Loan Delivery Dataset (ULDD) Phase 3 edits are Fatal severity. Loan Delivery will issue fatal edits if data requirements are not met. [Learn more about ULDD](#).

Fannie Mae has issued a [Lender Letter](#) to provide guidance on a new policy related to the acquisition of certain LIBOR ARM loans.

The U.S. Department of Veterans Affairs has announced policy updates to various chapters of their Lenders Handbook, VA Pamphlet 26-7, with effective dates. If updates to DU are required, Fannie Mae will include changes in a future release. [Click here](#) to review Fannie Mae's notification.

Capital Markets

How bout' last week's residential applications!! They were up 27% from one week earlier, per the Mortgage Bankers Association's (MBA). (The results for the week ending May 31 included an adjustment for the Memorial Day holiday.) Unadjusted the Index was up 38%. Refis accounted for 50% of total applications! Let's ask servicers how those MSR values are doing. The adjustable-rate mortgage (ARM) share of activity increased to 7.9 percent of total applications.

In the bond market Tuesday the 10-year T-note closed unchanged to yield 2.14%. The moderate Producer Price Index numbers should provide **more fuel to the call for the Fed to cut interest rates** this summer. Markets in China showed large construction gains after China's Ministry of Finance took steps to encourage more lending through "special bonds" for funding infrastructure projects, which helped global equity markets. And in Europe, European Central Bank policymaker Rehn said that low inflation expectations could prompt policymakers to strengthen forward guidance, lower rates, **or relaunch quantitative easing**. That statement came as European Commission President Juncker reiterated that the new British Prime Minister will not be allowed to renegotiate Theresa May's Brexit deal.

Back in this country we've seen the May Consumer Price Index (+.1%, core +.1%, +1.8% year over year). Later today we have the U.S. Treasury auctioning off \$24 billion of reopened 10-year notes – traders use it to gauge supply and demand for fixed-income securities. We begin today with Agency MBS prices up a solid .125 versus Tuesday's close and the 10-year yielding 2.11%.

Jobs, Personnel, and Company Moves

Are you ready to jumpstart your career in originations? Shelter Home Mortgage is looking for a new or experienced MLO to join a team inside a preferred lender relationship in Peachtree Corners, GA. Build your business, learn from seasoned professionals, and work together to build team production in an office with 400+ agents. "This opportunity is perfect for those just starting off as an MLO," says Vince Daino, VP of Recruiting. "The right candidate should have a strong desire to learn, an unrelenting work ethic, and a team-centric mentality." To learn more about this opportunity, contact Vince Daino.

NEXA Mortgage, the fastest growing mortgage broker in America, per growjo.com, is expanding. "The time has come for you to start making the money you deserve. Nationwide, broker production has surpassed banks, NEXA mortgage helps transition bankers to brokers. Fantastic processors, easy onboarding, 100% access to loan officer support staff. Be the low rate leader in your market, with over 40 lenders, including top Non-QM lenders. If NEXA can't do it, no one can. Click on the link for our rates www.NEXArates.com. We are looking for a LOs and branches in AZ, CA, OR, WA, ID, CO, TX, UT, GA, FL and MT. Soon to be licensed in NC, SC, VA, MD, IL, WI, NM, KS, MO and NV. Please note that we have an industry disruptive compensation plan that includes Loan Officer Revenue Share." Contact Michael Neill or set up a Why NEXA Zoom meeting with me at www.NEXAmortgage.com/support.

Congrats to Keith Little who has been promoted to president of Arkansas's Centennial Bank's mortgage division. Publicly traded Centennial Bank and (parent company) Home BancShares Inc. has 77 branches in Arkansas, 76 branches in Florida, five branches in Alabama and one branch in New York City.

The Texas Mortgage Pros announced its successful merger with Prodigy Lending LLC, “allowing them to offer fast and flexible financial aid in Dallas and the surrounding areas.”

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