

# Non-QM, Underwriting, Marketing Products; Borrower Satisfaction Tips; 1003 Pause

By: Rob Chrisman | Thu, Jun 13 2019, 8:49 AM

At the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (the government-sponsored enterprises, or GSEs) are communicating that the optional use period for the redesigned Uniform Residential Loan Application (URLA) form and corresponding datasets will not begin on July 1, 2019 as previously scheduled. It will begin tomorrow! Just kidding. "The effective date of the form will be revised and an updated version will be provided at a later date. Over the coming weeks, FHFA will engage with appropriate stakeholders and agencies to finalize issuance of an updated URLA form, corresponding datasets and a new implementation timeline." Legacy issues, listening to complaints about the language portion, whatever, stand down for now. More lender/agency news below.

## Lender Products and Services

JMAC Lending has expanded alternative doc qualifications for the Venice NON-QM program with flexible options for self-employed borrowers. The NON-QM program has been popular, with one-year tax returns, 12-months bank statements, Foreign Nationals and DSCR options. New features include: ONE-YEAR CPA Prepared P&L (No Bank Statements), 12-months Bank Statements with Borrower Expense Letter, ONE-YEAR Bank Statements with Borrower's P&L, Qualifications based on DU findings, No-cost appraisal transfers and 30-year fixed terms w/Interest-Only options. Qualifying just got easier. To learn more and get approved, please contact our sales team today. Email [Sales@JMACLending.com](mailto:Sales@JMACLending.com), call 844.888.JMAC or visit [JMACLending.com](http://JMACLending.com).

What happens to people who visit your website, but never call, email or fill out a contact form? There are many reasons why people don't take the time to pursue the next step with your company, whether that be requesting a demo or contacting you for more information. They could be comparison shopping, conducting research on a specific topic, casually browsing or maybe they just got distracted. Retargeting is part of a broad digital strategy the experts at Seroka Brand Development will leverage for you. It's a great way to stay top of mind with your prospects. It's also a great way to draw them back to your website with messages that reflect their interests, encouraging them to reach out to you. If you would like to know more about retargeting and best practices, contact the experts at Seroka at [info@seroka.com](mailto:info@seroka.com) for a free consultation and get ready to #TurnUpYourBrand!

The mortgage industry is in flux. Fluctuating interest rates. Shrinking inventories. Changing borrower needs. Wouldn't it be nice to have some consistency—especially from your automated underwriting system? Freddie Mac Loan Product Advisor® delivers reliable eligibility findings that foster responsible lending and give you confidence that you're originating quality loans. Its innovative capabilities were developed in collaboration with lenders, providing automation and insights that help reduce costs and increase efficiency. What does it all mean for you? Greater opportunity for business growth and an edge on the competition—The Freddie Edge<sup>SM</sup>. Learn more about ACE and AIM, available exclusively through [Loan Product Advisor®](http://Loan Product Advisor®).

Here's a webinar titled, "Empowering LOs with a digital toolkit." Technology should enable your team to do more. Join us on June 27 to learn how Blend is equipping mortgage originators with modern tools to meet the rising expectations of today's homebuyers. [Sign up now.](#)

AFR Wholesale was proud to be a Gold Sponsor of yesterday's AIME Mortgage Expert Workshop: Broker All-Stars, and remains committed to supporting the success of independent mortgage brokers. In addition to having a booth at the Workshop and sponsoring the closing Mix & Mingle, AFR's President Laura Brandao moderated the insightful Master the Art of Recruiting panel. For over a decade, AFR has been guiding brokers through new business opportunities with continuous educational opportunities, truly world-class customer experience, and unrivaled expertise in specialized programs like One-Time Close and Manufactured Housing. Find out more about AFR by visiting [www.afrwholesale.com](http://www.afrwholesale.com). Looking to become a partner? Email [sales@afrwholesale.com](mailto:sales@afrwholesale.com) or call 1-800-375-6071.

Do you have FOMO? (That's Fear of Missing Out) In today's lending environment, the whole industry seems to be falling victim to it. Think about it. Are you chasing the next hottest trend? Do you envy others launching a new product or channel that you're not in? Following the next big thing is not the secret to success. This TMS CAREspondent blog shares how to lose the mortgage FOMO and focus on what really matters.

Do you care about borrower satisfaction? Did you know that the top five nationally-ranked lenders in terms of borrower satisfaction — according to J.D. Power's 2018 U.S. Primary Mortgage Origination Satisfaction Study — are all independents? Why do many independent lenders beat large banks when it comes to satisfying their borrowers? STRATMOR MortgageSAT data from the last 12 months (more than 100,000 borrower responses) shows no difference in borrowers' perception of the loan officers based on their affiliation with a bank or independent, with both scoring 95 on a 100-point scale. What's going on? In the new [June MortgageSAT Tip](#), MortgageSAT Director Mike

Seminari identifies three reasons why many independents beat banks in the race to delight customers and suggests three ways banks can adapt to compete.

### Lenders and Investors Incorporate Freddie/Fannie Changes

Although this may change given yesterday's URLA news (first paragraph), FAMC Correspondent issued the following information: **Delegated Lenders may begin using Freddie Mac & Fannie Mae's updated URLA/ Form 1003** for all new loan applications taken on or after July 1, 2019, although it will not be required until February 1, 2020. FAMC is working to ensure systems are compatible with the new 1003 and ULAD format so that Non-Delegated Lenders may utilize the new 1003 for all new loan applications taken starting in November 2019.

Mr. Cooper (ex-Pacific Union Financial) has discontinued its Home Possible Advantage product line(s). As a result, these products will no longer be offered in the Optimal Blue system.

Customers utilizing this content for proprietary products have six months from 05/20/2019 to reconfigure eligibility/adjustment sourcing.

Land Home Financial Services offers [down payment assistance](#) for Conventional buyers.

Effective immediately, Mountain West Financial, Inc. (MWF) will begin accepting transactions for Deferred Action for Childhood Arrivals (DACA) and Individual Taxpayer Identification Number (ITIN) borrowers in accordance with Fannie Mae (FNMA) guidelines.

loanDepot's Wholesale/Correspondent weekly newsletter covers the following topics: Borrower Paid Compensation (BPC) - New Jersey and Pennsylvania, Conforming and High Balance (DU) 1/0 Temporary Buydown Program, VA Appraisal Policy and Procedures and South Carolina Attorney Telephone Closing Affidavit Compliance.

As announced in Fannie Mae's Lender Letter LL-2019-04, Fannie Mae will begin implementing a **25-basis point (0.250) loan-level price adjustment** for loans secured by second homes with LTV ratios greater than 85%. This is in addition to any other price adjustments that are otherwise applicable to the particular transaction. As a result, effective for locks on and after May 13, 2019, Franklin American Mortgage Company (FAMC) will begin charging a 0.250 percentage point adjustment for loans run through DU for second homes with LTV greater than 85%. Currently, the rate sheets have a 0.250 percentage point adjustment on applicable products for "LP/Second Home" with LTV ratios of 85.01-90.00; this will be revised to "Second Home", reflecting that the adjustment now covers any AUS type.

### Capital Markets

Have you been missing out on new bid tape AOT loan sale executions? Since MCT rolled out these executions in May 2018, clients have saved an average of \$45,000 each on trading costs. Leading investors are offering bid tape AOT with distinct improvements over legacy AOT, including wider trade tolerances, automatic blending, immediate acceptance, and short delivery periods. If you haven't been using these executions, you've been leaving money on the table. [Learn more about the advantages and economics of these executions from MCT COO Phil Rasori](#). With the launch of MCT's [Trade Auction Manager \(TAM\) electronic TBA trading platform](#), lenders can take advantage of an end-to-end digital process for bid tape AOT. Broker-dealers confirm trade requests with TAM, investors confirm bid tape AOT pricing with [BAM](#), and tri-party agreements are automated, leading to instant, error-free execution. [Schedule a demo](#) to experience the potential pickup and operational benefits for yourself.

U.S. economic data has started to reflect some of the uncertainty surrounding international trade as well as a general easing of the ongoing expansion. Employers added a dismal 75,000 jobs in May and prior months' numbers saw downward revisions. Hourly earnings saw their smallest increase since last September, rising 0.2 percent in May. While the US-Mexico tariff situation seems to be a non-issue, tensions are still high in the US-China trade negotiations. This has created a potential showdown between the markets and the Fed as the markets are now expecting 75bps in rate cuts before the end of the year. With inflation running below the Fed's target and unemployment at 3.6 percent, the Fed may view a rate cut as appropriate to sustain the current expansion and get inflation back to preferred levels. However, the **Fed has consistently said it will remain data dependent** and exercise patience in the timing and degree of any changes in monetary policy.

Are we entering a **refinance boom**? Yesterday saw mortgage applications from the MBA jump nearly 27% versus the prior holiday-adjusted week, thanks to a huge lift in refis which accounted for nearly 50% of apps. Pricewise, U.S. Treasuries ended the midweek session on a curve steepening note although the 10-year T-Note closed nearly unchanged at 2.13%. CPI and core CPI moved as expected, meaning consumer inflation pressures remain muted: another data point to aid inflated expectations for the Fed to cut the target range for the fed funds rate sooner rather than later.

Intensifying protests in Hong Kong over a bill that would allow extradition to China weighed on investor sentiment, as it seems China is trying to tighten its control over the region. Speaking of China, its retail vehicle sales in May posted a twelfth consecutive decline, while its

CPI was unchanged MoM in May, and PPI met expectations. Other readings from Asia included Japan's April Core Machinery Orders growing well above expectations, though May PPI decreased when it was expected to increase. And South Korea's May unemployment rate fell. In Europe, the Italian government will reportedly back a French candidate to lead the ECB in order to avoid giving the job to Bundesbank President Weidmann.

Today's U.S. domestic calendar is already underway with initial jobless claims for the week ending June 8 (+3k to 222k) and May import (-.3%, ex-petroleum -.2%) prices. This afternoon, the NY Fed will release a new two-week FedTrade schedule, which is expected to total around \$1.35 billion based on paydowns in the Fed's portfolio which exceeded the \$20 billion tapering cap by \$2.7 billion. MBS market participation will also be lighter with many in Washington, D.C. for the two-day 2019 Ginnie Mae Summit which has FHFA Director Calabria delivering remarks today. With the weekend in sight we begin today with Agency MBS prices better nearly .125 and the 10-year yielding 2.10 percent.

### **Employment and Transitions**

Are you a retail loan originator, retail branch manager, direct lender or banker? Tired of losing clients and the up and downs at your retail shop? Have you considered making the move from retail to independent? BeAMortgageBroker.com can help. We are your single, no-cost source for the information, support and tools you need to become an independent mortgage broker. 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](http://BeAMortgageBroker.com).

After 30 years, J. Terry Ryan, President of Multi Financial Services Co., Inc. in Tallahassee, FL is retiring from his successful national mortgage loan servicing. The vast majority of loans in fifteen (15) states consisting of private investors, non-profits, and government entities have been taken over by Covey Financial, LLC out of San Antonio. For those not fitting Covey's business model, Security National Servicing Corp out of Baton Rouge offers assistance. Servicing inquiries can still be directed to Terry (850-321-9352)! Some people just can't get away from servicing completely!

Bob Hora has been hired by Cenlar as SVP of Default Operations, reporting to Tony Renzi, Cenlar's President and COO. While overseeing Default Operations, including Collections, Loss Mitigation, Foreclosure, Bankruptcy, Claims and REO, "Bob's primary mission will be to create and deliver profound value to our clients. He'll work to reduce losses and enhance portfolio values by keeping borrowers in their homes through viable alternatives to foreclosure."

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