

# eClose, Non-QM, Broker Products; VA and FHA Investor Shifts

By: Rob Chrisman | Fri, Jun 14 2019, 9:05 AM

“The City of Baltimore, Maryland suffered a ransomware attack on May 7, 2019. Due to the attack, the City is currently unable to record documents until further notice. In the interim they are issuing ‘Lien Certificates’. [Mr. Cooper](#) is offering the following guidance related to loans closed within the city of Baltimore: ‘Any loans with title reports that contain title exception language regarding lien certificates will be ineligible until further notice.’ If you have any questions, please contact your [Regional Sales Team](#).” Scary stuff. What if this were to happen to an area that is growing by leaps and bounds? For example, two of the top three largest gaining MSAs from 2010 to 2018 were in the state of Texas, with both Dallas-Fort Worth-Arlington and Houston-The Woodlands-Sugar Land gaining over 1 million people during that time, according to the U.S. Census Bureau. Dallas and Houston have estimated populations of 7.5 million and 7.0 million, respectively, ranking them the fourth and fifth most populous metro areas in the U.S.

## Lender Products and Services

Prime Choice Funding Wholesale has announced another product expansion by adding Alt-QM to its product offering. “The Alt-Choice Product Suite is an amazing group of products: LTVs up to 95%, FICOs down to 500, loan amounts to \$5M, Bank Statements up to 90%, P&L program, Foreign National, WWOE only program, Asset Utilization, Investor Solutions: No income, No ratios (only LTV, FICO & DSCR). PCF Wholesale is currently doing business in 34 states. Offering a wide array of loan products from Agency to Non-QM, you can count on us for any loan scenario. Through our excellent service, price & best-in-class technology, we pride ourselves on being a wholesale lender that you can count on for all your loan transactions. PCF Wholesale is ‘Built for Brokers,’ and works to ensure our lending partners look like the super stars they are. Please contact your AE for more info or contact PCF wholesale directly at [marketing@pcfwholesale.com](mailto:marketing@pcfwholesale.com) to have an AE assigned to your company.

Please join Polunsky Beitel Green at Booth 702 for a demonstration of our new eClose solution, [eMortgagelaw.com](http://eMortgagelaw.com), during the National Association of Federally Insured Credit Unions in New Orleans, June 18th – 20th. The eMortgage law technology offers a one-stop eClosing solution built around a proprietary intelligence engine, which electronically digitizes lender loan documents from any loan origination or document system, allowing the lender to maintain its own documents, barcodes, internal workflows and processes without having to change to another system. Because documents from any system can be auto-tagged, categorized, sorted and bookmarked within seconds, labor intensive manual tagging and sorting is completely avoided. The eMortgage law system greatly reduces operational errors, making post-closing issues virtually a thing of the past. Drop by or schedule an appointment with Eric Gilbert or Stacey Maisano.

Caliber Home Loans, Inc. is excited to announce the newest addition to its suite of non-agency loan products. Investor Access extends real-estate investment opportunities to more borrowers by providing the ability to qualify based on property cash flows. Borrowers can apply as an individual or as an LLC, which expands their options for investing in their financial future. Investor Access borrower may qualify for loan amounts up to \$1 million with a 75% LTV. Caliber also improved pricing on its self-employed borrower product, Professional Elite, by as much as 1% in rate. Visit [www.CaliberHomeLoans.com](http://www.CaliberHomeLoans.com) for more information.

In today's environment, technology can create friction between brokers and lenders. To better this relationship, improve integration, and provide a superior TPO and consumer experience, Flagstar Bank has partnered with three market software leaders. [Flagstar's](#) integration with Ellie Mae Encompass creates a utility inside the platform, allowing correspondents to deliver loans with a single click. This eliminates the need to login to the Flagstar portal and offers greater efficiencies and faster shipping. Flagstar is also aligned with Arive, a new technology ecosystem for brokers. They anticipate this software package will include pricing as well as delivery and status updates in future releases. Flagstar's integration with NAMB AI-In, powered by Calyx, also benefits brokers, allowing loans to be delivered directly to Flagstar. Their partnerships with these market leaders offer their customers the confidence and innovative tools to experience greater success in today's everchanging and complex markets.

## FHA and VA Lender Chatter

This week I noted that 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](http://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. Thank you very much to Bob Broeksmit who reminded me that defect taxonomy was

also extended to June 30.

And Mountain West Financial is offering its brokers **free Appraisals on FHA conforming purchases** with a 640 or higher score thru the month of June. “Unlike other lender’s free appraisal offers, there’s no payment required from the borrower. It’s truly an appraisal paid for by your friends at MMF. Applicable only for Conforming FHA Loans (Program code: FF30), purchase transactions only. MMF will not pay for 1004D’s, only the initial appraisal. Loans must be submitted between June 1st and June 30th. Minimum 640 FICO or higher, new submissions only. Sale disclaimer: Available to MMF Approved Wholesale Brokers. Valid on the initial Appraisal ONLY. Free appraisal is a lender credit at closing. If appraisal is transferred to another lender, the borrower will be responsible for full payment. When ordering the FHA appraisal on this Special Program, choose ‘other’ for the billing option and input ‘MMF FHA Appraisal Promotion’ in notes.”

MBA’s Risk Management, QA and Fraud Prevention Forum ([RMQA19](#)) is the premier industry event for risk management professionals in the residential mortgage industry. Take advantage of this opportunity, September 15-17 in Chicago IL., to hear directly from the GSEs, FHA and industry experts on digital document management, loan quality and costs, underwriting, fraud prevention and more.

VA has recently released updates to several chapters of the VALender’s Handbook. Unless otherwise announced, PennyMac will be aligning with all updates to the VA handbook, while maintaining current overlays. Click [here](#) to view the announcement.

Ditech Financial has revised appraisal and LTV guidelines for VA Interest Rate Reduction Refinance Loans (IRRRL). Appraisals are now only required for IRRRLs that refinance a VA fixed rate mortgage into a VA Adjustable Rate Mortgage (ARM). LTV limits based on whether discount points are charged will apply only to fixed rate to ARM IRRRLs. Appraisal reports for fixed rate to ARM IRRRLs must not be ordered through WebLGY. Reports may be exterior-only or full appraisals and repairs do not have to be completed prior to closing. Contact Ditech for LTV requirements applicable to fixed rate to ARM IRRRLs when discount points are charged.

Freedom Mortgage Wholesale has implemented new loan registration and disclosure instructions on VA Cash-Out Refinance Loans for Table Funding Brokers effective immediately. The new VA cash-out Refinance Disclosure is now included with Freedom Mortgage’s electronic LE disclosure packages. Brokers are cautioned to input accurate data in these new data fields. These data fields do not include any logic that will auto correct typos or other data errors. Discrepancies between data used in the new disclosure and in the system may result in delays.

U.S. Bank Home Mortgage has completed consolidation of its Correspondent and HFA websites. View [Bulletin B-2019-12-A](#) for details. (U.S. Bank Correspondent/HFA Division [announced](#) its alignment with Black Knight and its Empower technology as its future loan origination system.)

In its Resource Center, PRMG posted updated [Credit Refresh Lookback Policy](#).

First Community Mortgage Wholesale [Announcement 2019-12](#) covers guideline updates applicable to multiple programs.

PRMG posted [Product Profile Updates 19-27](#) on April 25th. Click the link to view its various updates.

As a reminder NewDay launched Operation Home in December, a program that utilizes VA-guaranteed mortgages and seller-paid closing costs to put active-duty and veteran servicemembers military families into homes with as little cash out of their own pockets as possible. Last month, NewDay announced its Operation Home monthly volume is expected to soar 150 percent by the end of the year. NewDay has renewed its warehouse facility with BankUnited for \$100 million bringing it a total of \$400 million in warehouse commitments, that also includes Texas Capital Bank and People's United Bank.

## Capital Markets

The short end of the yield curve did well yesterday but U.S. Treasuries across the curve rallied after reports that two tankers operating near the in the Gulf of Oman were attacked, which the U.S. blamed on Iran. That aided the global growth narrative, and now it seems we may be in a refi tsunami as well with that 10-year yield approach 2 percent, which is weighing on MBS sentiment. Fed rate cut odds in 2019 continued to rise, with next week’s meeting now near 30 percent and with July at 85 percent for a 25 bp cut. 30-year mortgage rates are back to September 2017 levels.

Today’s calendar begins with **retail sales for May**. Later this morning, markets will digest May industrial production and capacity utilization; business inventories in April; and **preliminary June Michigan sentiment**. We begin today with Agency MBS prices a few ticks better and the 10-year yielding 2.07%.

## Employment

MortgageFlex Systems is expanding rapidly and looking for a new talented sales leader to join the team! “Come join a fintech leader with a

modern cloud-based LOS and Digital Lending Platform. Be a part of a fast-paced environment where you're challenged to find creative ways to engage your audience. MortgageFlex is looking for an energetic sales leader that's based in Orange County, CA. The ideal candidate is eager and ready to learn in his/her career. The candidate has 3-5 years of experience in LOS, POS, and CRM. We are experiencing a high demand of interest and need a goal-driven innovator. His/her strengths should include multi-tasking and forming strong interpersonal relationships. If you think you're a match please email Alexis Anderson."

Highlands Residential Mortgage is coming off its fifth consecutive year of growth in 2018 and is on pace to make it six in 2019. Recently, Highlands was recognized as one of the Scotsman Guide Top Lenders in 2018 and ranked #1 on National Mortgage News' list of Best Mortgage Companies To Work For 2019. Highlands is led by former originators and industry veterans guiding the company to being one of the most successful independent mortgage bankers in the country today. Continuing the company's track record of attracting some of the best and brightest people in the business, Highlands has added Talent Acquisition leader Howie Hall to its dynamic team. If you are looking for an origination home that is loaded with experience and support, rallies around closing on time, every time and want to find your last business card, contact Howie Hall.

NOVA® Home Loans, an independent full-service mortgage banker with a dynamic platform, excellent support, diverse product offerings, and exceptional, engaged leadership, is looking for a seasoned Branch Manager to grow its Colorado Springs market. "The ideal candidate will have a minimum of five years' experience in mortgage banking and five years management/leadership experience in the mortgage industry. Excellent leadership and recruiting skills a must. NOVA® Home Loans is consistently ranked among the Top 50 Mortgage Lenders in the United States and as one of the Best Places to Work in the Southwest. NOVA® Home Loans has branches in Arizona, California, Colorado and Nevada and can originate loans in 12 states. NOVA offers stimulating work in a fast-paced, customer-oriented, compliance-focused work-environment. NOVA also offers a competitive benefits portfolio. If you are ready to work for a dynamic and growth-minded mortgage lender, please send your resumes to Kim Carson."

"With June officially being National Homeownership Month, are you armed with the right product mix to help meet the needs of first-time homebuyers, current homeowners looking to refinance, and the scenarios in-between? If you're a part of the Motto Mortgage network, the answer is a strong yes thanks to our mortgage brokerage-in-a-box model. As a Motto Mortgage broker owner, you get all the tools you need to hit the ground running including a wholesale lending portfolio that gives your loan originators and borrowers the options they need to close with confidence. With nearly 90 offices open in 30 states, our national presence continues to grow thanks to a network hard at work, turning homebuyers' dreams into realities. [Contact us](#) (866.668.8649) to learn how Motto Mortgage can offer more for you, and your borrowers."

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