

# Nifty IRS News Site; Lender and Vendor M&A, News, Developments; Strong Jobs Data

By: Rob Chrisman | Fri, Jul 5 2019, 9:47 AM

The IRS has only been with us since 1862, modern nationwide income tax since 1913. But, just like the gfee income “share” with Freddie and Fannie, and sweeping the Agencies profits, the government never relinquishes money, so U.S. Federal income tax will be with us forever. So you may as well be kept up to date on changes, and a friend of the commentary sent along [this link](#) to sign up for the IRS Newswire, a free IRS resource. It provides a lot of easy to understand information about the tax code, frequently focusing on changes being implemented with the TCJA that may impact underwriters performing a schedule analysis. It might even help folks who are developing new tax-return based products, so that those programs aren't based on outdated references or assumptions.

## Vendors: Never Sitting Still

While lots of jobs remain susceptible to automation, it's crucial to remember that AI is still pretty dumb (for now). At a MetLife call center, AI may not have replaced the employees, but it did actually replace management to an extent: they use software to coach callers in real time whether they're talking too fast, or sound a bit sleepy, or don't sound empathetic enough. On one hand, additional employee monitoring can be intrusive or annoying, on the other it can help productivity. [MetLife said the rollout increased customer satisfaction by 13 percent.](#)

This sector of the financial services industry **has not escaped the notice of regulators**. For example, in Pennsylvania the Wolf Administration named a “Fintech Innovation Contact.” Secretary of Banking and Securities Robin Weissmann designated a point of contact between technology innovators offering financial services (fintech) and the commonwealth's financial regulator, the Pennsylvania Department of Banking and Securities. The announcement of the Innovation Staff Contact is part of a national initiative of state financial regulators coordinated by the Conference of State Bank Supervisors (CSBS) to streamline communications between fintech and state regulators on money transmission and payments, lending, banking, and other financial innovation. Pennsylvania's Innovation Staff Contact is Deputy Secretary for Non-Depository Institutions Tim Knopp, who can address questions from the fintech industry via [fintech@pa.gov](mailto:fintech@pa.gov).

And mergers and acquisitions are not confined to lenders and banks. Capital One Sponsor Finance announced that it led a \$500 million senior credit facility in support of the merger between American Mortgage Consultants (“AMC”) and Situs Holdings, both existing portfolio companies of Stone Point Capital (“SPC”). Capital One acted as lead arranger and administrative agent for the transaction.

AMC is a provider of outsourced consulting and technology services to the U.S. residential secondary mortgage market. AMC acts as intermediary between rating agencies and investors/securitizers of loans in the residential secondary mortgage market. Situs specializes in CRE loan advisory & integrated services, providing end-to-end outsourced services & solutions supporting the full life cycle of real estate debt & equity across three core capabilities: Advisory Services, Servicing & Asset Management, and Valuation. And SPC is a financial services-focused private equity firm based in Greenwich, CT. The firm has raised and managed seven private equity funds (the Trident Funds) with aggregate committed capital of approximately \$19 billion. Capital One Sponsor Finance is a leading provider of financing, banking and capital markets services to the middle market private equity sponsor community, offering creative and flexible capital to customers across a broad range of industries.

(Recall that Situs and AMC entered into a definitive agreement to merge the two firms. Situs and AMC are leading providers of consulting, outsourcing, talent, and technology solutions for lenders and investors in the real estate industry. The combination will cover approximately 60% of the secondary market private label securitization transactions and will include over 3,300 professionals operating in 27 markets across the U.S., Europe and India. Post close of the merger, the combined business will re-brand as SitusAMC, operating as a unified services and technology provider to organizations across their CRE and RRE needs including domestic and international banks, private equity investors, pension funds, secondary market guarantors, non-bank mortgage originators and servicers, and numerous other participants in the real estate finance industry.

Covius Holdings has entered into a definitive asset purchase agreement to acquire certain businesses from Chronos Solutions, including its **credit, flood, income and tax verification services**, government services, REO management and disposition, online foreclosure auction and homeowners association (HOA) tracking units. These businesses will complement Covius' extensive offerings in document management, loan modification and loss mitigation, title, compliance management, lien tracking, valuations, due diligence and business process workflow services.

And think back a ways to when ICE (Intercontinental Exchange) took [a controlling stake in MERS](#) (Mortgage Electronic Registration Systems) with the expectation of a switch from paper to electronic mortgage documents would make MERS a major revenue source. And then in May

announced plans to [buy Simplifile](#) with its electronic document platform for \$335 million, causing plenty of vendor owners to lick their chops.

But how many vendors are there “touching” the lending biz? I received this note from Scott Roller with [Vendor Surf](#). “We have 85 vendor categories on Vendor Surf. The following 4 categories alone contain many thousands of service providers: Title, settlement & closing vendors (we all know there is a title shop on every street corner in America, and the largest national title underwriters each have 7,000 to 8,000 title agents), Real Estate Attorneys (Closing attorney, Default/Foreclosure/Bankruptcy attorney, Legal consulting, etc.), Notary & Signing Services, and Consultants. There are 81 more categories to consider.” Thank you, Scott.

[The Mortgage List, LLC](#) announced the launch of its podcast, [Open Mic with The Mortgage List](#), featuring mortgage industry leaders who talk about trends, technology and tools for mortgage professionals. [Ginger Bell](#) is the host for each episode. The podcast is available on [Apple](#), [Google Play](#) and [Stitcher](#) and at [www.TheMortgageList.com](#).

CoreLogic’s FactCheck **income calculation and analysis solution and Property Tax Estimator report** are now available on the [LendingQB](#)® FactCheck extracts borrower income data directly from source images and data sets. Once extracted, FactCheck automatically processes the borrower’s income information via a customizable “rules” engine, and allows underwriters to easily update calculations, document exceptions and track changes using a transparent audit log. Property Tax Estimator is designed to significantly increase the accuracy of Loan Estimates, reduce compliance risk and improve the customer experience. By delivering highly accurate tax data early in the process, Property Tax Estimator also helps underwriters qualify the borrower’s ability to financially support all mortgage costs and improves the onboarding process for servicers.

Pulte Mortgage has partnered with Fincity to provide its borrowers with a faster, simpler and more secure way to navigate the home financing process. “Through Fincity’s verification platform, up to 24 months of bank, brokerage and 401k data can now be accessed to confirm assets within minutes. This can reduce the mortgage origination time by more than a week, giving borrowers more control of the process, without a lot of the hassle. In addition to their new instant asset verification feature through Fincity, Pulte Mortgage customers can upload essential documentation from their mobile device with just the snap of a picture; e-sign key regulatory disclosures with the swipe of a finger; and leverage a personalized digital dashboard to stay up-to-date on their loan’s progress when and where they want. These digital enhancements strengthen data security by leveraging advanced authentications, bank-level encryptions and secure borrower connections.”

As part of the mission to offer a complete consumer digital experience, [EXOS and Blend partnered](#) to deliver exact real-time appraisal scheduling functionality for lender clients using EXOS Appraisal, a core offering from the EXOS platform. This integration enables consumers seeking a new mortgage to schedule appraisal appointments by accessing live calendars of tens of thousands of licensed appraisers in all 50 states. Borrowers digitally select the exact date and time of their preferred appointment and receive instant confirmation plus a photo of their appraiser and the make and model of their vehicle.

eClose360® by NotaryCam® sets the standard for RON and ROC transactions in the real estate and mortgage industries. The platform provides lenders and title/closing agents with a secure, online closing room where they can upload closing documents, meet with signers and return fully executed and compliant documents within an hour. NotaryCam® announced that Fidelity National Financial (FNF), [will allow the use of NotaryCam](#) to deliver remote online notarization (RON) and remote online closing (ROC) capabilities to FNF’s network of direct title and settlement operations, as well as its network of independent title agents.

[Xoriant mortgage engineering team](#) has been working on new URLA implementation, development, functional, regression and automation testing of 400+ new fields to support URLA2020. Its team is also involved in making changes on POS UI layer and functional/automation testing of it. To support the upstream and downstream such as automated underwriting services and partner services, ULAD data set has been standardized and modified to support the larger data set for new URLA changes.

Kenneth Donohue, former HUD IG and current Executive Director of the [Certified Closing Professional](#) online training program, announced the first graduating class for the online program. The graduates completed 17 course studies with exams, as well as a 75-question final exam to earn the credential.

The University of California was in search of a more robust, flexible, cloud-based loan servicing platform to manage their loan portfolio. It required additional features such as **comprehensive data security, compliance with the latest State and Federal regulations, and on-demand, flexible reporting**. “[The Mortgage Office](#)® stood out for its reliability, ease of use, and its ability to integrate with our existing systems. The Mortgage Office® allows us to streamline our internal processes, increase financial controls, and user security,” said Ruth Assily, Director of Loan Programs, The Regents of the University of California.

Volly announced the launch of a new POS mobile app and a rebranding of the existing CRM mobile app. The [Volly Point of Sale Mobile App](#) allows loan officers to invite borrowers to apply or get prequalified for a mortgage, track a loan’s status or communicate with borrowers directly from the app. Loan officers can also invite referral partners to download their branded app and set up their own account to invite borrower referrals and track a referral’s status within minutes. Borrowers can also upload documents and view statuses and tasks. The

Volly CRM Mobile App enables users to access customer databases, schedule meetings, and view marketing activities. The rebranded app reflects Volly's new corporate colors and include a name change from CustomerManager to Volly.

Freedom Mortgage has announced its decision to implement [LoanServ Account Connect](#) from Sagent Lending Technologies as its borrower self-service portal. With this new solution, Freedom Mortgage will further empower its mortgage and credit line borrowers with always available, real-time access to their loan information through any device. Borrowers are now in control of their finances and LoanServ Account Connect helps them do just that with the ability to view and pay their billing statements, manage loan details, and even view payoff estimates. Context-sensitive guides boost borrower confidence in submitting requests through LoanServ Account Connect related to property damage, dropping mortgage insurance coverage, and loss mitigation.

Credit Plus is now offering [LeadsFINDER PLUS](#), a professional and personalized mortgage lead generation program. Credit Plus utilizes a pre-screen database of 160 million names. A targeted list of qualified leads can be built by choosing among a long list of attributes including credit score range, LTV, bankruptcies, trade line information and more. Lenders can extend prospects a firm offer of credit quickly by selecting a marketing piece from the Credit Plus library that can be customized with the company's name, logo and contact information. The list and marketing piece can be delivered directly to a printer and mail house. Lenders can also monitor their existing portfolios and be alerted when someone is shopping for a mortgage. More information and a video on CloseCAPTURE can be viewed by clicking [here](#).

### Capital Markets

Remember, yesterday was not Saturday. And today is Friday, and the **bond markets are open but thinly staffed**. Wednesday investors were occupied with falling rates in Europe, defensive positioning in front of the Independence Day holiday, an assumption that President Trump's two nominees to the Fed Board of Governors will have a dovish-minded stance, growth concerns flowing from the ongoing trade uncertainty, and the lowest ISM Non-Manufacturing Index reading since July 2017, and technical momentum. The 10-yr note yield (1.95%) and 30-yr bond yield settled at their lowest level since 2016. For mortgages, lower coupon MBS did better, pricewise, than higher coupon loans – too much prepayment risk with higher coupons.

This morning traders came back long enough to deal with the employment data, typically announced on the first Friday of every month.

**Nonfarm Payrolls, expected +140-160k, were +224k – strong!** The unemployment rate, expected at 3.6%, was 3.7%. And Hourly Earnings were +.2%. After the employment news the 10-year is yielding 1.99% and Agency MBS prices are worse .125 versus Wednesday's closing levels.

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