

# Digital, Appraisal, Non-QM Products; Upcoming Training, Don't Ignore CECL

By: Rob Chrisman | Tue, Jul 9 2019, 8:48 AM

I find it amusing when someone tells me, “The stock market is too risky for me. I have my money with some investment gal/guy.” What do you think they do with it? Deutsche Bank, prominent in the residential & commercial lending sectors, will cut 18,000 jobs during the next three years as part of a revamp that shrinks investment-banking and fixed-income operations and that eliminates the global equities business. A touch of artificial intelligence cutting into things? In a recent Alert, Morrison and Foerster examine concerns related to [AI in credit underwriting](#) and the potential for disparate impact risk.

## Lender Products and Services

When it comes to reliable, high-value industry content, Maxwell continues to knock it out of the park, putting out great mortgage resources for lending managers and their teams. If you haven't kept up with Maxwell's content lately, here are a few stand-outs from Maxwell's blog: [Real Estate Agent Networking Do's and Don'ts](#), [7 Tips for Successful Mortgage Software Implementation and Adoption](#), [5 KPIs that Profitable Lending Teams Measure](#), and [Digital Marketing Tips to Master Your Mortgage Leads](#).

[FinLocker](#), a financial data and analytics company, proudly announces the addition of Brian Vieaux to its executive leadership team. Vieaux joins FinLocker as President to help expand the business development and sales effort for the innovative FinLocker platform. Bringing over two decades of extensive experience with bank-owned lending institutions, Vieaux will add a deep understanding of product innovation and capacity in leveraging financial data across depository, lending and consumer bases. His experience and breadth of industry presence will assist in evolving strategy and continued adoption of the sophisticated FinLocker solution. The FinLocker platform is a lead generation, cross-selling, and customer for life data platform for banks and other financial institutions. FinLocker is a personal financial assistant tool that captures consumer financial data to help analyze and streamline financial transactions. By partnering with financial institutions, FinLocker provides consumers with a re-usable financial locker to help manage and achieve financial goals.

On Thursday, July 11th at 2 pm ET, National Mortgage Professional Magazine is hosting a complimentary webinar showing you “How to Originate Non-QM... Your guide to Sourcing and Closing Loans Effectively.” This “soup to nuts” webinar will show you where to source Non-QM clients, how to sell Non-QM effectively to the consumer, how to construct a close-able Non-QM loan with a focus on Bank Statements, Investment Property, and clients with “credit under repair” and more. This webinar is presented by Andrew Berman of NMP and Michael Brenning of Deephaven Mortgage. You can register for the webinar [here](#).

Mortgage Lenders – Are you frustrated by extended appraisal turn times and high appraisal costs? Partner with [Accurate Group](#) to quickly transform your mortgage appraisal process. Contact Frank Guarnera to learn how we are helping lenders transform their residential appraisal processes with the latest digital and mobile technologies. Lower costs, faster turn times and happier borrowers are just a step away – contact us today.

Calyx would like to welcome industry veteran Robert Shumake to its team! Robert is an accomplished sales executive with over 20 years of successful sales experience in the banking, mortgage banking and financial technology industries. He's held leadership positions with eOriginal, ClosingCorp, First Mortgage Corporation, Home Savings of America, Washington Mutual, and California Bank & Trust. Robert is excited to join Calyx as a member of the CalyxPath sales team. He will assume the role of National Sales Consultant in which he will develop effective sales strategies and manage customer relationships for CalyxPath, the company's latest cloud-based, dynamic, digital loan origination system. To congratulate or reach out to Robert, email him. For information about how CalyxPath can help you transform your loan origination process, visit [calyxsoftware.com/products/path](http://calyxsoftware.com/products/path).

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.

CECL

Let's not let this be another TRID slow motion train wreck. Loan officers don't seem to have caught on that this will impact the pricing to their borrowers. The new accounting standard applies to all banks, savings associations, credit unions, and financial institution holding companies – and who buys your loans? Slowly awareness of this accounting change is growing, and, once again, it is not something where you should shrug and say your vendors will deal with it. Last month I wrote [a primer on the changes](#) for the STRATMOR site.

FASB Chair Russ Golden has defended the new accounting standard but also hinted at a possible delay (no guarantee!) in the implementation for smaller financial institutions and community banks. There are [additional resources and guidance](#) to assist these institutions with better information and guidance which is meant to alleviate some of the CECL fears. FASB is expected to continue CECL discussions at upcoming meetings. There are [other resources](#) to learn more. The new approach requires an estimate of expected credit losses over the life of a loan portfolio to be effectively recorded upon origination.

American Banker and Fiserv are presenting, "[Preparing for CECL: What you need to know now](#)" today, July 9, at 2PMET, 11AMPT. "CECL presents largest change to GAAP accounting in decades and requires a significant modification to the way that credit unions gather and store their data as well as how they calculate and present their loss provisions. The 'ripple effect' of these changes will impact every financial institution's marketing, governance and overall strategy for years to come. Since the accounting guidance is intentionally nonspecific, many credit unions are struggling to establish a solid compliance plan while also minimizing disruption to their organizations."

Register for the [2-day training course, July 18-19 in New York](#). Michal Araten will be providing a detailed breakdown of the regulation and what it means in practice, including new standards for things such as PD and EAD. With a practical walkthrough of how to include macro factors into CECL modelling, advice will be given on how to validate and review the models.

Are you aware of the six methods to objectively estimate future credit losses for the life of loans? SEC filers are required to adopt CECL for fiscal years ending after December 15, 2019, with other public business entities in fiscal years beginning after December 15, 2020. [In Ohio the mortgage bankers](#) are presenting information on what is required of your financial institution in [a webinar by Mke Cavellaro & Rob Folland, Barnes & Thornburg LLP](#), on Tuesday, August 6.

## Trainings and Events

MGIC's July Webinar Schedule has been posted. Click [the link](#) to view numerous training options.

Genworth Mortgage Insurance provides [complimentary courses](#) ranging in topics on Understanding Credit Reports and Scores and a two-part series on Fraud, to in-person trainings, Genworth offers over 70 different live and recorded webinars/topics, as well as live on-site training and professional development events.

The Franklin American Mortgage Wholesale [July "Monthly Customer Training Calendar"](#) is now available. This month's options include Mortgage Fraud, Working Virtually, Understanding the Condo Appraisal, Five Habits of Highly Effective Salespeople – Habit 4: Five Love Languages of Referral Business and Optimizing LinkedIn.

Plaza's [July Webinar Offerings](#) include trainings topics like HomeOne VA Reno, High Balance, Appraisal UW, Mortgage Fundamentals, Reverse, Sales and Schedule C.

Join Carrington Wholesale tomorrow, July 10th at 10:00, for part 1 of a 4-part series of webinars where you will hear from some of the industry's sales experts on [sales training techniques](#).

Also on Wednesday July 10, is a [live webinar](#) to share how [XINNIX Performance Coaching](#) can help catapult you to the next level of loan production regardless of where you are in your career.

For capital markets folks, MIAC is offering up a free webinar on MOJO™ to compute the optimal way to pool loans, maximizes the use of specified pool pay-ups, and minimizes the jumbo loan hit. or [join our free webinar](#) Wednesday July 10th at 2pm ET.

The Temporary Authority licensing rule for mortgage loan originators goes into effect November 24, 2019. [Join the MBA on Thursday, July 11th](#) to get first-hand guidance from the Conference of State Bank Supervisors (CSBS) and expert counsel, as we cover what this means from a regulatory standpoint and how the National Mortgage Licensing System (NMLS) will accommodate this new status.

The legalization of marijuana with the passage of Proposal 1 potentially opens the door for greater mortgage eligibility in Michigan. to understand the issues and risk with this topic, register for the [MMLA Southeast Chapter's Marijuana Lending Luncheon on Thursday, July 11th](#). Melissa Bridges with Bodman PLC will share her expertise and answer your questions.

California MBA is offering a free webinar from the Legal Issues Committee on Friday, July 12th. [Register now](#).

Register for the MBA of Hawaii's Workshop on July 16th from 10-12 at 1132 Bishop Street, 6th Floor. This workshop is designed as an

[Overview of the New Purchase Contract](#) focusing on specific changes that could affect your loan.

On Thursday, July 18th at 11am PT, Dale Vermillion, a renewed sales consultant within the mortgage industry will host the webinar series, “[Creating a Borrower-First Experienced for Unparalleled Success](#)”. In Part 1 of his thought leadership series with Ellie Mae Dale will cover strategies to help loan officers blend technology and human interaction to form authentic and successful customer connections. Participants can learn how to Capitalize on the most competitive and opportunity-laden mortgage market in recent memory. Stop quoting price and product and start developing individualized conversations that drive more business. Become high tech and high touch to form successful sales, service and communications strategies.

Have you evaluated the other areas of your company the new URLA will impact such as interactive websites, integrated systems and plug-ins with third party vendors, custom reporting, custom forms, investor requirements? Have you defined how you will manage the URLA delivery options (there are quite a few)? The MCPAOA is [hosting a webinar](#) on the new URLA requirements July 18, at 9AMPT. The guest speaker will be John Haring, Director, Product Management at Ellie Mae.

## Capital Markets

Got MOJO™? If you are looking to increase your profitability, you need to get some MOJO! Please join our free webinar and learn more about MAC's market-leading Maximized Objective Optimizer™ (MOJO™)! Lenders will now be able to identify the best possible execution and do it in record time! Come learn why MOJO™ is superior to other hedge advisor models as it computes the optimal way to pool loans, maximizes the use of specified pool pay-ups, and minimizes the jumbo loan hit. MOJO™ also enables users to easily commit pools, auto-create trades, and allocate loans to trades. Learn how to make more money while saving time with MOJO™! For more information contact your MAC sales executive or [join our free webinar](#) Wednesday July 10th at 2pm ET!

After U.S. Treasuries posted large losses to close last week, they began this week in quiet curve-steepening action, including the 10-year closing -1 bp yielding 2.03 percent. Markets should experience limited risk appetite again today ahead of **Fed Chair Powell's testimony on Capitol Hill tomorrow and Thursday**. The slight rebound in Treasuries domestically coincided with equity markets across Asia showing weakness, including some disappointing data out of Japan. To me, it seems people are grasping at straws for some data to base expectations on, but allow themselves to sway excessively in the wind day by day based on the most recent data point. Expect this to continue until the dot plot of the July Fed rate decision is released (and then indefinitely from there).

Turning to today, we began with the June NFIB Small Business Optimism Index (down to “103.3”). Later this morning will bring Redbook same-store sales for the week ending July 6; and **JOLTS job openings for May**. There is also a decent amount of Fed speak before tomorrow's Fed Chair testimony, including appearances by Chairman Powell, St. Louis Fed President Bullard Atlanta Fed President Bostic, and Governor Quarles. But we begin the day with Agency MBS prices worse almost .125 and the 10-year yielding 2.05%.

## Employment and Promotions

“Come and join our winning team! Demand for Mr. Cooper's non-delegated offering continues to grow at a rapid pace! To keep up with the demand and to further invest in this space, we are expanding our Non-Delegated Underwriting and Operations Support teams. We are looking for qualified professionals with non-delegated operations experience and underwriters with FHA DE and/or VA LAPP SAR designations. If either describes your experience and you want to join a dynamic culture, let's talk about our opportunities in Dallas or remote! Speaking of hiring, did you know we allow for Future Income/Future employment? Ask your Regional Sales team for details, and while you are at it, ask about the benefits of Day 1 Certainty. We allow for component-driven rep & warrant relief. Mr. Cooper is a top 10 Correspondent investor, a premier Co-Issue investor and the largest non-bank servicer with a servicing portfolio \$600B+. For information, visit [www.mrcooper.com/correspondent](http://www.mrcooper.com/correspondent).”

As we are now in the middle of the summer construction season, who's looking for a boost in their builder business? Academy Mortgage has an exclusive license agreement with NoviHome, an innovative tool that helps home builders capture, engage, convert, and retain leads to close homes faster and more efficiently. Through its various apps, NoviHome provides builders with the ability to: house all their marketing materials in one easy-to-navigate app (floor plans, videos, virtual tours, etc.); engage homebuyers in choosing customizations; and stay connected to buyers from contract to contract. In turn, NoviHome presents Loan Officers with a tremendous opportunity to open doors and establish partnerships with new builders. Builder business can take your production to a whole new level and help you achieve your Potential. Contact Chad Melin, VP of National Business Development, to put NoviHome and Academy's other innovative tools and technology to work for you.

Congrats to Dan Fichtler: The Mortgage Bankers Association (MBA) promoted him to Associate Vice President of Housing Finance Policy within the association's Residential Policy and Member Engagement team. Mr. Fichtler (he requests that everyone call him that now) will

help lead MBA's housing finance policy development, which includes serving on, and coordinating work from, a variety of committees, work groups, and task forces.

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