

Non-QM, Broker, Marketing, Tech Products; Wholesale News; Webinars

By: Rob Chrisman | Mbn, Jul 15 2019, 8:47 AM

You don't think your spouse listens to you? What about Google? You bet: "Google [Very Angry](#) After Contractor Leaks Over a Thousand Assistant Recordings." Interesting that many of the "best and brightest" of people in their 20s and 30s want to work for an advertising company. (Yes, 80-90% of Google/Alphabet's revenue comes from advertising.) Google handles a lot of data that scammers would love to have. The United States Census Bureau has posted information to help consumers who are part of a survey to [avoid fraudulent activity and scams](#). You may be the victim of a scam if someone claiming to be from the Census Bureau asks you for certain information. The Census Bureau never asks for your full Social Security number, money or donations, anything on behalf of a political party, your full bank or credit card account numbers and your mother's maiden name.

Products, Services, and Business Opportunities

For those who missed it last week: Eileen O'Grady, Founder and CEO of EMO, LLC, and a mortgage and mortgage fintech industry veteran, is representing a client in the sale of exclusive rights to a digital volume of business requirements for Regulatory and Investor (Fred & Fan) Compliance, Loan Origination (for Fan, Fred, FHA, VA, and USDA Rural Housing loan programs), Loan Servicing and Quality Control/Auditing. It is a rich, current, annotated compendium of content, rules, processes and audit procedures that would save years in requirements gathering and convert to millions of dollars in savings on development project budgets. If interested please reach out to Eileen to request a Solicitation of Interest Document.

Unit Busters is a new sales and marketing focused complimentary webinar series from National Mortgage Professional Magazine. Here's [a new webinar](#): "What The Top 5 Banks Don't Want You To Know About Selling Conventional Loans." Think selling conventional loans are too much work for too little money? The big lenders count on that mindset and make billions in the 80% of the loan market you're not fishing in. If the bulk of your business is in the gowpond, you can't afford to miss this webinar by Monster Lead Group. We reveal the statistics and strategy of how to create explosive loan revenue in any market, regardless of rates, how to make this strategy work for your business even if you're a small lender or don't have a large marketing budget, the top 3 reasons small companies don't fish in the same ocean as the big lenders, why just focusing on VA and FHA is the biggest mistake many brokers and lenders make, and how to build a predictable, successful conventional line of business without going broke. It's tomorrow, Tuesday, July 16th at 2PMET.

ResX Warehouse Lending is a division of United Bank, a respected commercial lender with an over 150-year track record of delivering for its clients. ResX isn't new to the warehouse business. In fact, ResX has been making warehouse loans longer than many of the "established" lenders out there. There is not time wasted on inflated promises or the latest fix-and-flip pitch. Instead, they're real people and experts in the business. ResX Warehouse delivers extensive management experience, more effective and efficient processes, and the drive to be a complete banking resource for clients. In combination with United Bank's full-service array of products and services, ResX is the ideal platform for the mortgage banker serious about meaningful growth. That means no wasted time, no pipeline clogs and no worrying about whether or not it is in it for the long haul. If that sounds interesting to you, [give ResX a look!](#)

Flagstar Bank and Detroit Fintech Bay has announced the launch of the Flagstar Mortgage Tech Accelerator Program, which focuses on early stage startups active in developing innovative technology solutions for the mortgage industry. "We're excited to partner with the Fintech Consortium to launch the first startup accelerator in the U.S. exclusively focused on the mortgage industry," said Rocky Stubbs, head of Digital Lending at Flagstar. "We have the depth and breadth of capabilities to support fintech startups operating at every point in the mortgage value chain, and we offer the best of both worlds—the advantages of a federally chartered bank combined with the agility of a typical nonbank." Interested entrepreneurs and startup founders may [apply](#) for the program June 27–July 27 or email Rocky.

ARMCO Q4/CY 2018 Mortgage QC Industry Trends Report: Defects Related to Loan Package Documentation Doubled from 2017 to 2018. "Critical defects in 2018 reflect the market's rising interest rates and continued escalation of property values," said Nick Volpe, chief strategy officer for ARMCO. "Fewer highly qualified borrowers transact mortgages when rates increase, which fills the market with more marginal borrowers who tend to require more documentation. It makes sense that defects related to loan package documentation more than doubled from 2017 to 2018." Report Summary: In Q4 2018, the critical defect rate increased just over 2%; In CY 2018, the critical defect rate increased almost 8% over the previous year; Defects related to Income and Employment are on the rise; In Q4 2018, defects attributed to categories related to Underwriting / Eligibility continued to dominate overall quality issues. [Read the full report.](#)

Would you like to do a better job leveraging social media platforms like LinkedIn, Facebook, Twitter and Instagram to build awareness of your company, what you offer and drive qualified leads? Social media is effective for any of these goals and an important component of your

overall marketing and public relations strategy. Seroka Brand Development will develop your strategy and content to ensure your social presence plays the role it should in driving real business results. These platforms are constantly changing and adding functionality. Seroka will help you stay on top of them and prioritize the platforms most important to your business. Want to learn more? [Reach out to Seroka](#) and get ready to #TurnUpYourBrand! Also, register for the MBA webinar [Wholesale Lending: The Client Relationship Post Closing](#) and hear John Seroka talk about the tactics LOs should leverage to build client relationships after closing.

NonQM, a blanket term being used to cover many different product options, when it is simply a different way to look at "ability to repay" than defined by the CFPB. "We at NMSI Wholesale absolutely care about ability to repay when we lend our funds. We just have come up with products that look at it differently. For example, our Portfolio RED Program, stands for **reduced income documentation**. We allow self-employed borrowers significantly easier ability to qualify for a mortgage by showing us their own prepared P&L, supported by 2 months bank statements or CPA letter. We not only see cash flow but liquid asset reserves on top of 20% investment in down payment. This is not subprime credit either and follows closely with conventional prime guidance. We lend on other unique NonQM programs helping RE investors, Foreign Nationals, Asset Depletion/RSU, Interest Only, VOE Only, 'Life' Happens Events, all offering No Prepayment Penalties. [Visit us](#) to learn more, or contact James Hooper."

[Optimal Blue](#) launches unrivaled support for Non-QM and Expanded Criteria loans. To help clients differentiate and be more competitive, Optimal Blue made a substantial investment to support these unique loan products. With monthly lock volume exceeding \$1 billion, a threshold 2.5 times the volume experienced just 18 months earlier, Optimal Blue is observing significant market growth in this area. Designed to drive pricing accuracy and precision, Optimal Blue now supports close to 20 granular filters for income verification, payment history, debt consolidation, bankruptcy, and more. In addition, specific housing events, financial outcomes, and other user-defined selections are evaluated. Optimal Blue lenders can now take advantage of the Non-QM and Expanded Guidelines products for +60 leading investors. According to Mike Strauss, President of Sprout Mortgage, "Sprout has found Optimal Blue's Non-QM filters to fully support its product line with complete accuracy. This is a tremendous step forward for the Non-QM marketplace."

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 its 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.

Wholesale News

What is going on with wholesalers around the nation? Let's take a random look.

[Stearns Holdings](#) reached an agreement with its largest bondholder, PIMCO, to ensure support for the restructuring plan. "Having PIMCO's support going forward will help to expedite the court-supervised process further. With 1.5 billion in warehouse capacity Stearns' 2,700 Wholesale, Retail, Joint Venture, Preferred Partner and Corporate employees continue to originate, lock, underwrite and fund loans with the same best-in-class service they have always provided. CEO David Schneider added, 'As we move forward, we remain firmly committed to our mission of helping homebuyers find the best loans for their current and future needs.'"

UWM has lowered its Elite BPM rates again, offering specially discounted mortgage insurance rates to 640+ FICO borrowers that aren't available at every other lender. "In addition to saving your borrowers money, you'll also save three to seven days on every loan by eliminating the second underwrite with Instant MI. Plus, no additional MI overlays, not even for DTI or co-borrowers. These BPM rates can make a huge difference in your borrower's monthly payment and they won't show up in pricing engines, so the only way to see them is to join the UWM network and price them out today!"

Plaza Home Mortgage's AUS Non-Conforming adjustments are changing from rate adjustments to price adjustments. These changes will be effective for loans locked on or after Monday, July 8, 2019. refer to the [AUS Non-Conforming rate sheet](#) for all changes.

Log into the [FAMC website](#) to view the top errors on loans delivered for or purchased by FAMC based on its Loan Purchase reviews, Pre-Purchase Underwriting reviews and monthly QA review findings. Errors in data entry, missing documentation required for issues not included in the AUS analysis and non-compliance with the AUS requirements place the loan at risk for losing Reps and Warrants. This information is for the purpose of giving you knowledge so the appropriate changes may be made, as necessary, to avoid potential consequences in the future.

Webinars/Events Over the Next Week

Register now for a Supreme Lending [Ransomware Industry Call Webinar](#) on July 16th.

Looking for the Insiders Perspective on How Wholesalers Set Prices, the Role of MSR Values and Maintaining Your Customer Relationships post the loan closing? Join two complimentary webinar opportunities from the MBA presented by leading industry experts in these fields. Register for the webinar [How Wholesalers Set Their "Street Price"](#) on July 17th from 2-3:30 EST. and [The Client Relationship Post Closing](#) on July 22nd from 2-3:30 EST.

NMMLA is bringing New Mexico State Legislature to your doorstep with its [July 18th Luncheon](#) to include guest speaker Lt. Governor Howie Morales.

Join Fannie Mae for a live [HomeReady webinar on July 18 at 2 p.m. ET](#) and learn why a HomeReady mortgage may be a better solution for your low-income borrowers. This webinar is geared toward loan officers but open to all lenders and housing professionals, and will cover HomeReady features, benefits, and underwriting guidelines, as well as address the upcoming changes and allow plenty of time to answer your questions.

Capital Markets

Summer doldrums for rate volatility? U.S. Treasuries responded to higher-than-expected prints for PPI and core PPI Friday and record-setting gains for the stock market, by **fluctuating back and forth** before closing to display little movement ending the week, including the 10-year ending the session -1 bp to 2.10 percent. Headlines involved the Treasury acknowledging the **debt ceiling limit could be reached by early September**, Labor Secretary Alex Acosta announcing his resignation, and President Trump tweeting his disapproval of cryptocurrencies. The Producer Price Index for June, much like the Consumer Price Index for June, provided little support for the case of a 50 bps points cut in July, let alone a 25-bps cut in July.

This week's economic calendar includes an uneventful domestic calendar today, with only the NY Fed manufacturing for July, NY Fed President Williams speaking, and the Treasury conducting its usual T-bill business with a \$36 billion auction of 3- and 6-month bills. Tomorrow, things pick back up with Retail Sales for June; Import and Export Prices for June, Industrial Production for June, Business Inventories for May, and the NAHB Housing Market Index for July. Wednesday see the usual MBA Mortgage Applications Index for week ending July 13 but **also Housing Starts and Building Permits for June**, and the Fed's Beige Book, before Thursday brings jobless claims, the Philadelphia Fed Index for July, and Leading indicators for June. The week closes with the preliminary University of Michigan Consumer Sentiment. We begin today with Agency MBS prices better by a smidge and the 10-year yielding 2.10%.

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