CRM, Broker, Sales, Rental Products; Conventional Conforming Trends

By: Rob Chrisman | Wed, Jul 31 2019, 8:18 AM

Large investors often shy away from monies that are not in the mainstream banking sector. (Accounts in cryptocurrency jump to mind.) Can you blame them? But plenty of people want to use that money to buy houses and lower the vacancy rate. In Census Bureau news, as if we don't have enough stats in our lives, the 2018 Housing Vacancy Survey Annual Statistics was released providing vacancy rates, homeownership rates and characteristics of units available for occupancy for the United States, regions, states and the 75 largest metropolitan statistical areas. Homeownership rates were tabulated by age of householder for the United States and regions, and by race/ethnicity of householder and by family status for the United States, with estimates of the total housing inventory and percentage distributions of vacant for-rent and vacant for-sale-only units for the United States and regions.

Lender Products and Services

Vacation Rental or Long-term Rental? Visio Lending is the nation's leader in Non-QM loans for buy and hold SFR rentals. No-DTI, 30-year term, buy ups and buy downs on rates and pre-pays, I/O available. Through our top-notch Broker Program, brokers are able to earn up to 3 points per closed loan, Visio always pays the broker the first 1%. Additionally, Visio Broker can count on a designated Account Executive and in-house processing.

Freddie Mac Single-Family is ALL FOR reducing barriers and raising hope. Freddie Mac is expanding the thinking around affordable lending and inspiring others to do the same. With All For HomeSM, we're leading the way through providing insights, education, mortgage products and business solutions that address the needs of today's borrower and of The Borrower of the FutureSM. Rising home prices and interest rates, coupled with a lack of entry-level inventory, are increasing affordability challenges. Demographic and cultural shifts, migrations from rural to urban, first-time homebuyers with thin-credit files and complex processes pose additional barriers to achieving the American dream. It takes collaboration and partnership to innovate solutions that make a positive impact. Learn more about All For Home, discover key insights to inform your business and take advantage of solutions and tools that will enable your borrowers to make Home Possible®. All in. All of us. All For Home.

The shiny object problem in mortgage hurts borrowers, originators, and lenders. Shifting between tasks, can cost up to 40% of productivity time. While the typical borrower waits 30 days from initial application to loan close, the actual tasks required in that time amount to just a few hours of actual work. That means the typical originator's workday is wildly inefficient. Picture a world where a borrower could fill out a loan app and then immediately, during that first call with their advisor, the originator can run credit, check debt-to-income, confirm cash to close, fully qualify them, provide loan options, deliver disclosures to e-sign and order the appraisal. All during that first conversation with the customer. All this is possible while passing the info on to the lender's existing LOS. Cloudvirga's Kyle Kamrooz explores the undeniable need to give originators the tools they need to work smarter and faster, not harder.

Register now for a complimentary Advanced Credit Scoring webinar on Thursday, August 1st at 9am CT to learn how scores are formulated, how delinquencies affect credit, and the importance of score cards. Rely on Data Facts as a trusted partner for credit reports, fraud products, tax return and social security verifications, an appraisal ordering platform, a full suite of lead-gen products, and more. Talk with a live person and take advantage of their personalized support for your business. They offer a variety of seamless LOS integrations and a 100% US based customer support team that helps lenders close more loans, faster and easier.

According to CSO Insights and the 2019 CMO Survey, less than half of loan officers use their CRM to increase sales, and only 36% of marketing executives can prove marketing ROI to the C-Suite using quantitative metrics. To solve these problems and help you create immediate ROI on your tech investments, Momentifi has created a mobile app that integrates with your current CRM and LOS. "The Momentifi App allows you to increase the applications and fundings from each marketing campaign by making it super simple for your loan officers to follow up without having to log into your CRM," says Gibran Nicholas CEO of Momentifi. "Loan officers can send personalized text messages and videos to borrowers and referral partners that get logged into your CRM for compliance. The best part is that you only pay for the LOs and LOAs who actually use it." Click here to schedule a demo.

Best. Week. Ever. By every measure, QLMS has become a force for brokers. And last week, the numbers again confirmed astounding growth. Just in the past year, QLMS has more than doubled its AE force, added 3,000 approved partners and has increased its closed volume 4X! But the best is yet to come. By providing brokers the best pricing, cheapest MI, innovative technology, operational trust and unwavering service, QLMS is poised to double again in the next 12 months. Let QLMS be a driver of your success! Click here to grow!

Conventional Conforming Chatter

Does everyone deserve to borrow money and buy a home? Non-QM grabs more headlines these days than the ol' conventional conforming line-up. (For Chase launched its correspondent non-QM product which is a manual adjustment from the normal portfolio price.) But **Freddie and Fannie continue to garner the overwhelming lion's share of business**, so let's check in with what they, and various investors & lenders, are doing.

Loan officers know that DU and LP approved loans, regardless of DTI, fall into the Qualified Mortgage bucket. This patch came into the news last week when the CFPB announced that it was willing to let the "GSE patch" expire in 2021. The CFPB has put out a public request for comment on the new rules: the CFPB will collect feedback on Thursday's request for 45 days, just email: 2019-ANPR-ATRQM@cfpb.gov and include "Docket No. CFPB-2019-0039" or "RIN 3170-AA98" in the subject line of the email.

Estimates peg Freddie and Fannie's business as including about 1/3 having DTIs over 43% (versus FHA's business with DTIs above 50%). Of course FHA doesn't want to be adversely selected against with poor-quality loans heading its way, and has been tightening things up as well. At this point "Ability to Repay" is being stretched as it is, with industry observers pointing to one-month bank statement programs and saying, "Really?"

The biggest issue is whether the government will continue to guarantee MBS issued by the GSEs. A key part of GSE reform is shifting F&F's risk away from the taxpayer and placing it elsewhere, namely with groups that will absorb the risk in exchange for an increased rate of return. Changing the pricing for non-owner loans has been mentioned, as has increasing the credit quality of conforming conventional loans. Turning two "aircraft carriers" and tweaking the entire mortgage finance industry will take time, and no one in the industry thinks it will happen in the next 15 months.

Desktop Underwriter® (DU®) Version 10.3 was recently updated with enhancements to the DU validation service, HomeReady® income limit changes and a DU eligibility assessment update. The Area Median Income (AMI) Lookup Tool and census tract lookup spreadsheet on the website was also updated to align with the HomeReady income limit changes and the new 2019 AMI estimates provided by FHFA. The Fannie Mae release notes provide the details of this update.

U.S. Bank Home Mortgage Seller Guide Update - SEL 2019-033 includes information on VA Funding Fee and COE, VA IRRRL Recoupment Clarification, VA Prior Approval, Freddie Mac Chapter 12 Bankruptcy, Government ARM Change Dates and more. Additionally,

SEL-2019-032 was issued covering Annual Compliance Review Updates.

Freddie Mac made its first Low-Income Housing Tax Credit (LIHTC) equity investment in tribal housing through its fund with RBC Capital Markets' (RBCCM) Tax Credit Equity Group. The $9.4 million investment in Yavapai-Apache Nation Tribal Housing (YANTH) will support 35 new units targeting members of the tribe with incomes of up to 40%, 50% and 60% of area median income. The three- and four-bedroom homes all benefit from a tribal Housing Assistance Payments (HAP) program, which will allow tenants to pay no more than 30% of their income toward rent. Learn more at FreddieMac.com, @FreddieMac and Freddie Mac's blog.

LoanDepot Wholesale/Correspondent's Weekly Newsletter includes information on the expansion of the Freddie Mac Home Possible Mortgage Program to allow Super Conforming loan amounts for 1-4 unit properties.

Capital Markets

PennyMac Correspondent posted a Revised Announcement regarding New Bulk Bid Tape Fields and Update to Conventional LLPA.

The past week saw stronger than expected economic data including retail sales, manufacturing productivity, and higher inflation. This will likely **not change the outcome of the upcoming FOMC policy statement** on July 30, however it will temper expectations for those looking for a 50bps rate cut. Retail sales jump 0.4 percent in June and the weakness in retail sales seen towards the end of 2018 due to the declines in the stock market seem a distant memory. Gains in retail sales over the last three months should provide a boost the Q2 GDP as consumer spending comprises roughly 70 percent of the overall number. The labor market has also shown continued strength with June's 224,000 jobs gain. Residential construction remains challenged and the recent full point drop in mortgage rates has done little to revive lackluster sales as buyers still struggle with affordability. Trade uncertainty endures, however manufacturing data appears, for now, to have avoided slipping into contraction territory. As we move closer to the Fed meeting at the end of the month, **the market remains convinced a 25bps cut is coming and that a further cut is in the not-to-distant horizon.**

U.S. Treasuries endured a dull day yesterday, partially reversing a portion of Monday's rally ahead of today's release of the July FOMC Statement. The 10-year closed +1 bp to 2.06 percent, aided by better than expected Consumer Confidence for July, and Pending Home

Sales for June, which posted a percentage increase (2.8 percent) nearly three times the expected figure. Any releases so far this week are small potatoes versus today's FOMC Statement, which the market expects to usher in a new easing cycle. While there is a 100 percent predicted likelihood of a 25 bps rate cut, the **implied likelihood of a 50 bps cut sits at just over 20 percent** despite climbing above 60 percent two weeks ago.

In international news, the 12th round of trade talks between officials from China and the United States began in Shanghai yesterday, though President Trump accused Chinese negotiators of not sticking to their promises. Chinese President Xi said that the CCP will not try to boost the economy through real estate. In Japan, the Cabinet office lowered expectations for growth in fiscal 2019/2020. That came as Japan's June Industrial Production decreased beyond expectations. And from Europe, British Prime Minister, Boris Johnson has reportedly refused to meet with EU leaders until they agree to remove the Irish backstop from the Brexit agreement.

Today's FOMC events highlight the economic calendar, with the Fed expected to cut rates for the first time in 10-years, though markets will have to wait until the afternoon with the Statement due at 2PM ET and Fed Chair Powell's press conference shortly thereafter. But we've started the day with weekly mortgage applications from the MBA for the week ending July 26, which decreased 1.4 percent from one week earlier after posting a 1.9 percent decline last week. Up are the July ADP employment (expected 170k versus 153k previously), the Q2 Employment Cost Index, and the Chicago PMI for July. We begin the day with Agency MBS prices a shade better and the 10-year yielding 2.05%.

Employment and Transitions

Mountain West Financial, (est. 1990) is "seeking a highly motivated leader to join our executive team as the SVP of Retail Lending. This person will oversee all aspects of the Retail Production Channel. Responsibilities include developing, motivating, and providing value to our existing team as well as growing our footprint in the western U.S. You will be joining a dedicated group with a strong work ethic and a commitment of doing the right thing. We owe our 30-year longevity to strong relationships, commitment to our staff and the communities we serve. All applicants must have a proven track record of developing, managing, and growing a retail team." For a confidential interview, contact Gary Martell (909 557-2246).

National MI is expanding its sales team and adding an additional Sales Account Representative who would live in North Jersey or Westchester County NY to cover the North Jersey area and possibly an expanding territory. Responsibilities include promoting the sale of National MI products, services, and programs to clients through a consultative selling approach via personal sales calls and email/phone contact. This individual will also assist in sourcing new business from originators and will manage the relationships of specific clients by serving as a customer advocate, educator, and loan issue problem-solver. Experience in client relationship management and training is imperative, and strong research, process improvement, and presentation skills are required. Headquartered in the San Francisco Bay Area, National MI is a U.S.-based, private mortgage insurer enabling low down payment borrowers to realize homeownership. National MI has a GREAT culture, compensation and benefits. For the complete job posting, see National MI's careers page.

Williston Financial Group has appointed three vice presidents of business development for WFG's Enterprise Solutions division. "In their new roles, Linda Vo, Melanie Cornelius, and Monique Winston are responsible for building and maintaining client relationships among the nation's top financial institutions and mortgage lenders. WFG's Enterprise Solutions division provides services and technology solutions that enable lenders to take time and cost out of mortgage transactions." Congratulations!

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